JOURNAL

OF AMERICAN INSURANCE

DECEMBER, 1960 Vol. 36, No. 12

Gifts From Our Treasured History

That White and Drifting Snow

Break-Through for Court Congestion

No Holiday in Thievery

They Solve the Laundrymen's Woes

Men With a Brighter Christmas

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OUR COVERS

AT CHRISTMAS, especially, our age of space has communion with all the ages of the past and of the future. From the morning of the miracle of the Star of Bethlehem, heavenly bodies have set the course for the hopes, longings and altruism of man and regenerated his zest for life and progress.

There was a time when the full effects of astronomical knowledge were limited to what the human eye could see. Even in the Middle Ages, marked by the organization and spread of Christianity, the concept of the world, as portrayed by the artist on our front cover, was a vast flat surface encased under a sky studded with stars. Behind the encasement was the impenetrable mystery of the mechanism that moved the stars.

In this age of astrophysics, we now know that our Earth is but one of a myriad of heavenly bodies occupying interminable space (back cover). Science has even sampled cosmic conditions in that space many millions of miles from the earth. And if not this Christmas, perhaps in due season, the wonders of new life at an outer-space Bethlehem may be revealed to some star-guided astronaut.

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C H R I S T-M A S, 1 9 6 0

THIS IS THE WONDROUS CHRISTMAS when whole new worlds opened by the conquest of space make mortals ponder, 'Can such things be?" They can, as is being demonstrated almost daily. In all that is and is to be, we wish you health, happiness, peace and good will on behalf of the American Mutual Insurance Alliance and its member companies.

Though our own little world has shrunk in the new dimensions of space, Christmas is a reminder that the dignity of the human soul is not diminished. There is still room aplenty in our world of today for consideration of others, for renewed dedication to the rights and welfare of the individual and for the warming glow of what Christmas means to each of us and to our loved ones.

May you have a Happy New Year! Insurance bequeaths you hope and the forward-looking spirit of the most famous progenitor of insurance, Benjamin Franklin, as portrayed in his statue on the campus of the University of Pennsylvania. It depicts him arriving in Philadelphia 237 years ago, starting a new life and facing new worlds, even as we are doing this Christmas of 1960.

Sincerely

Denzel R. Johnson

General Manager

For the Member Companies
AMERICAN MUTUAL INSURANCE ALLIANCE
Pages 33 and 34

THE NATION'S CHRISTMAS TREE

CENTURY AFTER CENTURY, the Nation's Christmas Tree has stood in Kings Canyon National Park, ensured by nature to survive through the ages as a living symbol of our American heritage and the Christmas spirit.

It is the General Grant tree, superb specimen of the sequoias, oldest living things in the world. By competent reckoning, the General Grant is probably more than 3,500 years old. Towering like a 16-story building, it stands 267 feet tall, has a base circumference of 107 feet, a maximum diameter at the base of 40 feet and a diameter of 13 feet even as high as 180 feet above the ground. There are an estimated 542,-784 board feet in its trunk, enough lumber to put up a good-sized suburban development.

The tree was discovered in 1862 by Joseph Hardin Thomas in what is now Kings Canyon National Park, Fresno County, California, and was named in August, 1867, by Mrs. Lucretia P. Baker in honor of Ulysses S. Grant.

Christmas services, inspired by the late Charles E. Lee, of nearby Sanger, California, have been held annually at the base of the tree since 1925. Sanger itself has been recognized by the Post Office Department since October 1, 1949, as the Christmas Tree City.

Official dedication of the General Grant as the Nation's Christmas Tree by the U. S. Department of Interior took place on April 28, 1926. Then by Congressional action on March 29, 1956, the General Grant was declared to be a national shrine "in memory of the men and women of the Armed Forces who have served and fought and died to keep this nation free and to preserve the spiritual, human and civil rights which are the essence of our American heritage."

Members of the National Park Service join in the Christmas service and each year place a wreath at the base of the tree.

Insurance against loss and destruction is nowhere better exemplified in nature than by the General Grant and other giant sequoias. The bark, which sometimes reaches a thickness of two feet, affords excellent protection. Larger specimens of the trees are rarely killed by fire. Repeated lightning fires cause black scars and hollows, but the bark grows over and around the wounds. The heartwood is highly resistant to fungus and insect attacks.

Insurance is the helpmate of nature and of the National Park Service in conserving the scenic, scientific, historic and industrial heritage of our timber resources so well dramatized by the Nation's Christmas Tree. Major roles long have been filled by the insurance industry, including the promotion of better fire-fighting equipment, the pioneering of workmen's compensation insurance for lumberjacks and the fostering of accident prevention in the logging, lumber, paper and construction industries. As early as 1895 the first lumber mutuals were established in the East to provide reliable, low-cost insurance to lumber dealers.

Sequoias were so named by a European botanist in honor of Chief Sequoyah who devised a useful phonetic alphabet for the Cherokee Indian Tribe. There are two different species of sequoia. Sequoia gigantea is known by the common name, giant sequoia, and is also called big tree or Sierra redwood. Sequoia sempervirens of the coast is called the coast redwood. The largest of the giant sequoias are so well proportioned and display such symmetry and balance that often it is difficult to appreciate their size. Branches on some of the trees are themselves larger and taller than most eastern forest trees.

Still growing and towering high to represent the oldest living things on earth, the Nation's Christmas Tree this year again majestically proclaims the Christmas message: life, abundant and eternal. ⊙

ENDURING GIFTS IN OUR NATIONAL HERITAGE

Our nation's treasures from history are ensured for posterity in the National Archives.

". . . But the quantity of ice, made that night, impeded the passage of the boats so much, that it was three o'clock before the Artillery could all be got over, and near four before the troops took up their line of march. This made me despair of surprising the Town . . ."

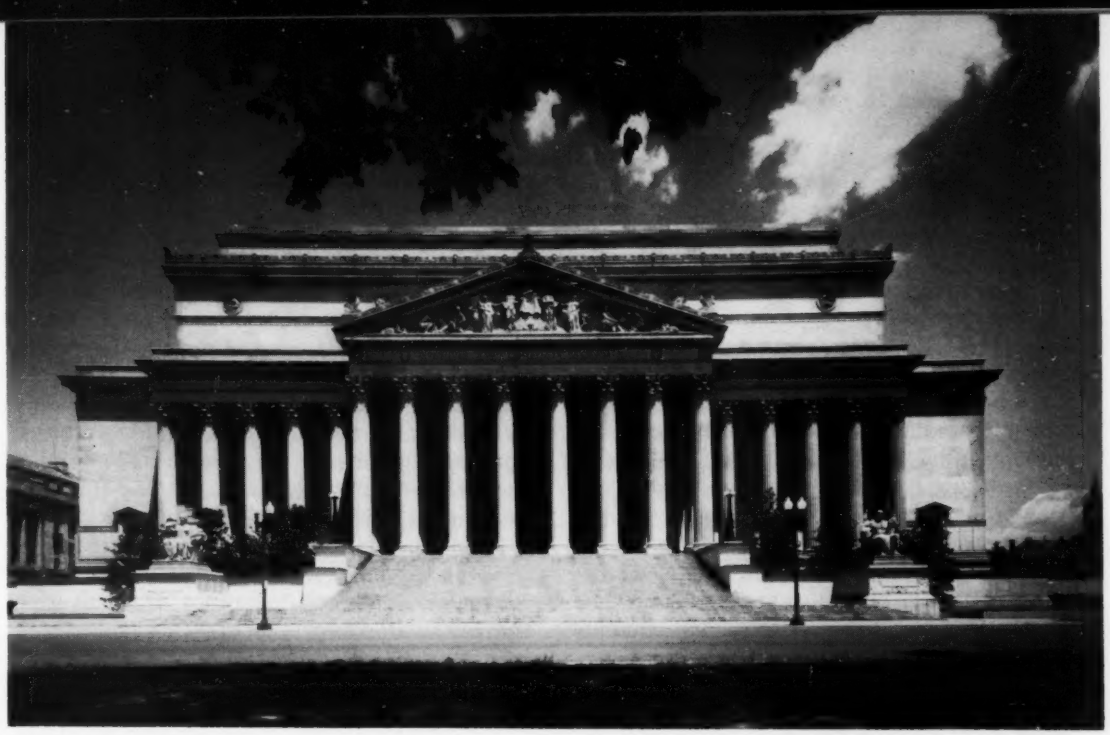
THE MOST CELEBRATED Christmas story in American history—Washington's crossing of the Delaware on Christmas night, 1776—is thus recounted in a letter which General Washington wrote to President John Hancock of the Continental Congress under the date of December 27, 1776, detailing the successful surprise attack on the enemy troops at Trenton, New Jersey, and the taking of 918 prisoners.

That historic letter from a Christmas of 184 years ago together with millions of other items documenting the romance and permanency of our American heritage is now securely held in trust in the National Archives.

Included are nearly all the permanently valuable records of the federal government that are more than 50 years old along with many records of more recent date. But merely being old is not why these records are preserved. Their enduring value to serve the legitimate interests of every American citizen is what has made them precious. And they are used that way more

One of the 196 stack areas in the National Archives Building, affording the safest storage of all government buildings for preservation of some 900,000 cubic feet of the nation's permanently valuable documents.

←
Photographic excerption from Washington's letter, now preserved in the Archives, reporting on his Christmas night crossing of the Delaware and the Trenton coup.



The National Archives Building, completed in 1937, memorializes the best traditions and principles of insurance, with statues of Heritage and Guardianship on the pedestals, left and right.

than 400,000 times a year in requests seeking information or copies of them.

Nowhere is the role of insurance in our national economy and public life more dramatically documented than in the Archives records dealing with the involvement of the United States, its citizens or their property in wars, near-wars, disasters, and depression. Here, for example, can be found precedent for the government's responsibility for reimbursing a serviceman for the loss of personal funds that he had entrusted to his commanding officer and with which the officer had absconded. Records indispensable in determining titles and other rights to land and in defending claims against the government are those of the General Land Office. In fact, these records are among the most frequently consulted in the Archives. Again, loss prevention and the insurance industry were well served when a Wisconsin construction company studied regional snowfall for the past 50 years to learn how strong to construct house roofs.

Sound insurance principles also play a major role in the security and protection of the records. For since the opening of the National Archives, good physical surroundings and adequate arrangement of the records have both preserved the documents and made them more usable. Theretofore some of the records had been grossly neglected and subjected to loss by fire, theft and dampness, although most of them had been fairly well kept. When construction of the National Archives Building was begun in 1931, the government had already been creating and accumulating records for more than 150 years. But the U. S. was the last of the great nations to provide for the adequate preservation and administration of its official records.

Establishment of the National Archives as an independent executive agency was done by an act of Congress, June 19, 1934. Functions were enlarged, the name changed to the National Archives and Records Service and the agency made a part of the new General Services Administration in 1949.

The National Archives Building, completed in 1937, is in itself a monument to the best traditions and principles of insurance. Pedestaled figures on the Constitution Avenue side of the building represent Heritage and Guardianship. The female figure, at the left, holding a child and a sheaf of wheat, symbolizes Heritage as it relates to the primary purpose of the government in the preservation of the home. The pedestal inscription reads: "The Heritage of the Past Is the Seed That Brings Forth the Harvest of the Future." The male figure at the right symbolizes Guardianship, with an inscription on

the pedestal: "Eternal Vigilance Is the Price of Liberty."

At the present time the 196 stack areas of the National Archives building are filled to near capacity. These holdings—enough to fill 150,000 four-drawer filing cabinets—include 1.1 million maps, 3 million still pictures, 30 million feet of motion-picture film and 35,000 sound recordings.

Dates on some of the documents go back to 1774, predating George Washington's letter reporting on his crossing of the Delaware.

Dr. Wayne C. Grover, archivist of the United States, and his staff are charged with selecting the permanently valuable records from the great mass of federal records that have accumulated. More than 900,000 cubic feet of such records are now in the National Archives.

Finding even an obscure bit of evidence in the Archives is no "needle in a haystack" puzzle. Means for making the records easily accessible have been carefully worked out, both for those who visit the National Archives Building and for those who live at a distance. The staff is prepared to meet the needs of government agencies and private persons, of those who seek an isolated scrap of information and those who wish to make an extended study of a body of records. Use of certain records of a confidential nature is necessarily restricted; medical information about individuals, such as that contained in pension files, is revealed only to persons who have a right to know it.

Insurance History Abounds in Many Files

Despite more than 400,000 requests each year for Archives information, there are records of rich content which, comparatively speaking, have hardly been touched. These are the materials for research in such fields as history, biography, economics, sociology, political science and public administration.

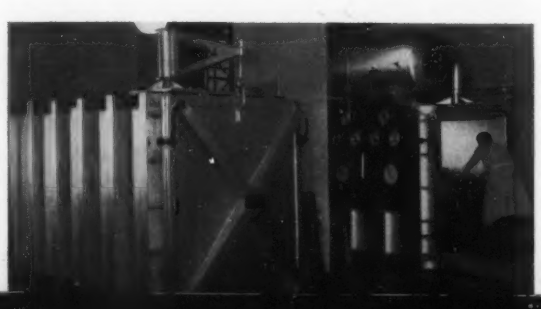
Insurance has its full share of the nation's historical documents. There are Treasury Department records, for example, attesting to the fact that insurance companies were among the first to invest in the future of the country through the purchase of government securities in the 1790's. The government, in turn, early entrusted the marine risks on at least some of its shipments to insurance as shown by two Archives-preserved policies purchased in 1802 and 1803 by the Quartermaster General for coverage of two ships.

Historic as an early form of spreading insurance risk are eight policies taken out by the Treasury Department in 1811, each covering part of a shipment of $220,000 in specie sent in the U. S. S. *Constitution* to Holland. A volume of treasury receipts and expenditures for the same year shows that $20,000 of this shipment was to be used for the "expense of foreign intercourse" and $200,000 for interest payable in Holland on the "Louisiana stock," sold by the U. S. to finance the Louisiana Purchase of 1803.

From those earliest days down to recent times, the long thread of insurance was traced for the Journal of American Insurance by members of the National Archives staff. Our "quasi-war" with France toward the end of the 18th century accounts for a whole series of case files involving 5,574 claims by shipowners, merchants and insurers for reimbursement of losses incurred by the seizure of vessels and cargoes. Among the Archives insurance documents from the Civil War there are policies taken out by the U. S. Marshal for the Eastern District of Pennsylvania to cover captured Confederate ships and cargoes brought into court for adjudication by that District Court. From World War I are records of the Bureau of War Risk Insurance, which was set up in the Treasury Department in 1914 to provide insurance on U. S. merchant ships carrying cargoes to England, France and neutral European countries and which later provided insurance on the lives of servicemen.

Some of the insurance-related records from World War I are of such nature that they are restricted for 50 years except by special permission. Among the records of the Office of the Alien Property Custodian are documents of its Division of Insurance, 1917-39, and of its New York Office of Enemy Insurance, 1918-25, relating to the administration, sale and liquidation of enemy insurance rights and properties seized by the government during the war. Sabotage of the Black Tom and Kingsland, New Jersey,

All material received at the Archives is fumigated in steel vacuum tanks to kill injurious insects and molds. When loaded with records, tanks are closed and sealed, the air pumped out and a special fumigant introduced that does not damage records.



munitions plants, with the associated insurance chapters, is covered in records of the Mixed Claims Commission, U. S. and Germany, now in the National Archives.

Also from the international scene but in the peacetime era are interesting State Department materials on the refusal of foreign insurance companies to pay claims for fire losses resulting from the disastrous San Francisco earthquake and on claims of British insurance companies against U. S. authorities who, in an effort to suppress "the plague" in the outbreak of the 1890's, had burned infected houses in Hawaii.

Government regulation of the insurance business and federal vs. state jurisdiction figure in some of the most historically significant insurance files at the Archives. Two notable cases in the records of the Supreme Court are *Paul* v. *Virginia* (1869) in which it was held that issuance of insurance policies was not commerce and so was not subject to federal regulation even if it involved interstate transactions. Controverting this was the decision in the 1944 case of *United States* v. *South-Eastern Underwriters Association et al.*

One of the largest series of modern records in the National Archives that concerns insurance companies is among the files of the Temporary National Economic Committee. This committee, created by Congress in 1938, was headed by Senator Joseph C. O'Mahoney of Wyoming. It investigated insurance, among other businesses, swelling the Archives holdings by more than 100 linear feet. Many of these records are not open to public inspection.

As befits the "crown jewels" of a sovereign nation's history, the National Archives Building ensures the safest storage of all government buildings in the Washington area. Not even daylight is admitted into the stack areas.

Once inside, the records are behind the two largest bronze doors in the world—at the Constitution Avenue entrance. Each door weighs 6½ tons, is 38 feet 7 inches high, 9 feet 11 inches wide and 11 inches thick. These doors are mechanically operated by electric motors.

The record-storage part of the building is divided into 68 large compartments or stack spaces 22 feet high with floors of reinforced concrete and no openings between floors.

Throughout the building every means known to modern science is constantly on guard to ensure against burglary, fire and theft.

Our Three Great Documents Untouchable

Special precautions are taken for the safety and preservation of the Declaration of Independence, the Constitution and the Bill of Rights which are displayed in a shrine against one wall of the exhibition hall. When they are not on display and in times of great danger, the three great documents are housed in a fireproof, bombproof vault beneath the shrine.

As insurance against loss in a disaster that might destroy the originals of some of the nation's most valuable records in the Archives, microfilm copies have been made and shipped to secret storage areas.

In accordance with federal government policy, holdings of the National Archives are not covered by insurance while they are on the premises. However, items are insured when they are loaned by the archivist to other responsible institutions for exhibition purposes. In such cases the borrowing institution must meet strict requirements, including coverage of the material with an all-risk insurance policy from portal to portal. Evaluations for insurance purposes are made by the National Archives and are not made public. Insurance coverage usually has been of the fine arts type.

There was a time when the unforgettable experience of seeing many of the most important parchments and documents of our nation was not possible. Once it was even decreed, as recently as 1903, that the Declaration "should be kept in the dark . . . and never placed on exhibition." Christmas is an appropriate time for appreciating what a great public heritage we now have in the National Archives. ⊙

For complete protection of the nation's documents, humidity and temperature in the National Archives Building are automatically regulated. This is the control panel for the air conditioning. Daylight also is excluded from the stack areas of the Archives.

Day and night, the contents of the National Archives Building are protected by the acme in burglar and fire protective systems controlled at this board. Extra safeguards are in force for the Declaration, the Constitution and the Bill of Rights.

Highway patrols in 25 states gird for the season of perils, rescues and relief.

SOS: SNOWBOUND!

Dean Conger

Wyoming Highway Patrol removes accident victim through raging blizzard near Casper. Hundreds of lives are saved each year by highway patrolmen who buck snowdrifts to get medical aid for those hurt in collisions. Stretchers and first-aid kits are standard winter gear in snow belt states.

→ Aerial view of vehicles snowbound in Oklahoma. Some were stalled for 24 hours before rescue team arrived. State Trooper Delbert Jump and Guymon contractor Jack Morgan led team that saved 88 drivers and passengers. Photo was taken by Jump after blizzard subsided.

Winter events pose problems for state patrols that must keep roads open. Here a California highway patrolman directs traffic at Olympic Winter Games held last winter at Squaw Valley.

California Highway Patrol

ONE STILL NIGHT last February the shrill ring of a telephone roused Oklahoma State Trooper Delbert Jump and started a dramatic snowstorm rescue mission. A blizzard had hit the panhandle, the excited caller said, and motorists were marooned in 20-foot snowdrifts between Guymon and Boise City, 69 miles away.

Thirty miles out of Guymon the four-man rescue team put a bulldozer in operation and saved three stranded motorists before reaching Boise City. "Visibility was naught," Jump recalls, "and you could hardly breathe for the stifling snow." But a sleepless night fighting the blizzard was only the beginning.

Turning south toward Stratford, Texas, Jump's team found motorists whose cars had been snowbound for 24 hours. Trucks had jacknifed, blocking escape; even the bulldozer could move only a mile an hour. With every rescue vehicle full, the team pulled a large van out of a drift and turned it into a veritable Noah's ark. At Strat-

Bill Finney

One of New Hampshire's "Blue Angels" gives free gas to motorist stranded on state's F.E. Everett Turnpike. Highway maintenance division vehicles, carrying blue trouble lights, have aided drivers for 20 winters.

Idaho State Police

Idaho State Police operate this Frandee Sno-Shu, versatile winter rescue vehicle that can reach any part of state in six hours. Hospital corpsman accompanies the driver to highway and air disaster scenes.

State highway patrol car in Wisconsin rolls over road recently cleared by maintenance crews. Snow tires, chains, tow lines and other cold weather devices are standard on patrol cars in snow belt states from September or October through April.

Wisconsin Motor Vehicle Department

Washington's state police operate four of these specially-equipped emergency rescue trucks and six Weasels. Everything from resuscitators to battery jumper cables are carried to aid drivers.

Washington State Patrol

ford the van deposited 79 people, a police dog and a parakeet.

Not every winter rescue operation conducted by our state highway patrolmen is as exciting as this Oklahoma episode, but before this winter ends, state highway patrols in 25 snow belt states will have aided 500,000 motorists and passengers stranded by winter hazards.

All in Day's Work: Tears, Gas, Babies

Some snow victims, like 200 drivers snowbound last winter near Vaughn, New Mexico, shed tears of relief after spending lonely, terrifying hours in bleak cold. Others need only a push, a few gallons of gas, or a lift to the nearest service station. Maternity, no respecter of weather, poses a special problem for state policemen who frequently serve as midwives and use their patrol cars as delivery rooms. For all these courtesies and services highway patrolmen in snow belt states are equipped and ready, but they accept no payment or gratuities, not even for gas handouts.

In nearly every state north of the Mason-Dixon line and west of the Great Divide highway patrols are prepared for winter with full equipment.

But the first and perhaps most important winter service rendered by highway patrols is radioing reports of highway conditions to central stations that pass the data on to newspapers, radio and television stations. These reports are especially important when there is an abrupt change in weather contrary to forecasts. Then it becomes the responsibility of police to keep drivers off hazardous roads.

In Idaho, for example, roving mobile units cover 98 per cent of the state's roads with two-way radios; in Michigan up-to-the-minute weather and road data is sent by 54 state police posts. Such warning systems have become so effective that a North Dakota observer says there is no longer any excuse for drivers being marooned on snow-clogged roads. But state police still find it necessary to set up blockades to warn motorists of impassable or hazardous conditions. In mountain states, such as Washington and Colorado, they are posted at passes to turn back cars without skid chains.

State police also know when to call out maintenance crews of state highway departments, National Guard units or the Army Corps of Engineers. Road clearance crews are, in fact, the heroes of our winter-bound states. Tracked vehicles designed to plow snow and trucks to remove snow and spread sand or salt are the keys to open highways. Crews must be ready to move into any area quickly after a state police alert. In the bitter New Mexico blizzards of December, 1959, maintenance crews worked through the Christmas holiday to open roads for holiday travelers. They also aided in getting feed to isolated and starving livestock and milk to children in snowbound towns.

But state highway police, with their warning and rescue techniques, are our first defense when snow comes too heavily and too fast for road crews. In Wisconsin early this year a blizzard in the Racine-Kenosha area jammed one highway with a line of vehicles several miles long. State police waded through three-foot drifts as far as five miles to warn each motorist to keep a window open to prevent carbon monoxide poisoning.

Though their prime goal is the protection of human life, highway patrolmen save the nation's motorists millions of dollars in insurance premiums by performing services that would otherwise be paid for under towing coverages. Moreover, by keeping roads open and sending stalled cars on their way, state police reduce the number of winter accidents. Losses of life and property reach record peaks each December, a month that contributed 121 deaths per day to the nation's 1959 total.

Last Winter Was One of Worst for Snow

Special snow removal and winter patrolling were unknown in the horse-and-buggy days when the famous "Blizzard of '88" blanketed a fourth of the nation and took 200 lives. It was not until the 1920's that states began to provide special appropriations for snow plowing. Memorably bitter winters since then have challenged state police and road crews, who mark 1948-49 and last winter as among the most hazardous for motorists.

Their efforts produce remarkable tales of man's concern for his own kind, and some humorous twists. Last winter a New Mexico rescue team struggled through deep drifts to reach an 85-year-old woman reported to be snowbound and sick. Meeting her "rescuers" at the door, she asked: "What in the world are you doing out in such weather?" ⊙

EASING THE TRAFFIC JAM IN OUR COURTS

It can be done, despite controversy and frustration; here's how.

ON A DECEMBER MORNING in Chicago five long years ago, two automobiles skidded on an icy pavement and collided, injuring both drivers. They both filed suit and took their places at the bottom of the docket to await their day in court. The cases are still pending, along with 25,000 others which have been on the books from 18 months to six years in Chicago's Superior and Circuit Courts.

These 25,000 cases form the hard core of a court delay problem that has become a local calamity and a national disgrace. The majority of them are personal injury suits arising from auto accidents, and 20,000 of the litigants are holding out for a jury trial. The average age of such cases now being tried in Chicago is 59 months—one month short of five years.

Although no other city's problem is quite so sizable, court congestion and delay are by no means confined to Chicago. The Supreme Court of Queens County, which has jurisdiction over about one-fifth of New York City, has an average delay of 36 months for personal injury cases tried by jury. Courts in Pittsburgh, New Haven, Hartford, Philadelphia and Cleveland all report similar delays of more than two years, and 13 other cities lag at least one year behind, according to the Institute of Judicial Administration.

At first glance, it would appear that personal injury suits are the chief cause of the congestion, since they make up most of the backlog of seriously delayed cases. However, the truth is that the courts have more or less deliberately decided to keep the rest of the docket current and to concentrate the delay in the personal injury category. In New York City, for example, personal injury suits are placed on one calendar and all the commercial cases, tax suits and other civil actions on another. The latter get top priority. Except for hardship cases, personal injury suits are tried only as gaps occur in the scheduling of the other cases.

Courts in other cities accomplish the same result by various means. If the long delay now suffered by personal injury suits were spread evenly over the court's entire workload, the size of the problem would be put in better perspective and no one category of cases would be taking the brunt of the delay. However, this would do nothing to solve the basic causes of delay.

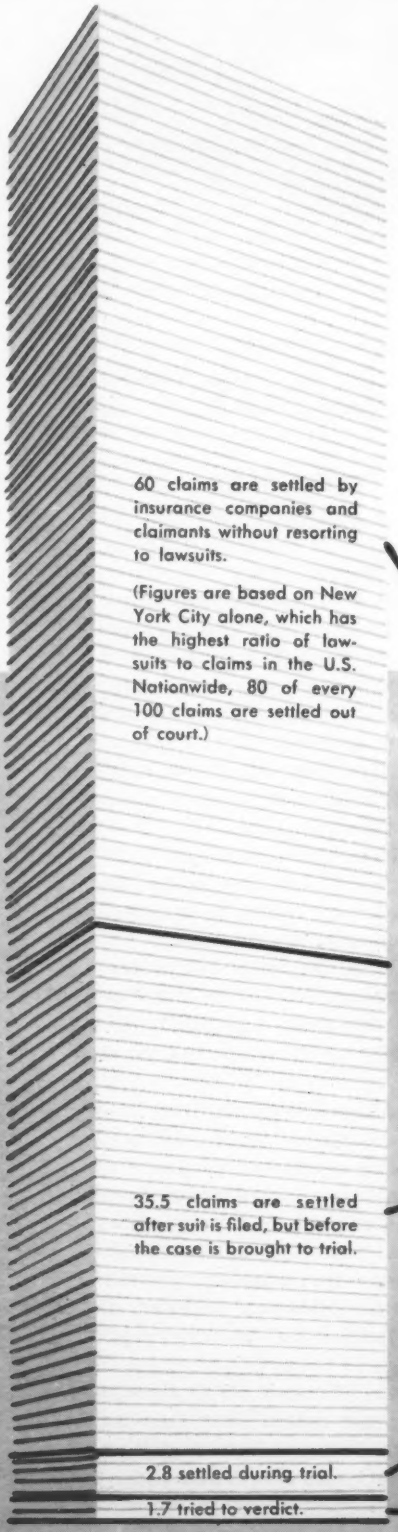
Congested courts primarily result from one simple fact: Their workloads have increased faster than the judicial manpower available to handle them. Many courts are conducting their business with the same number of judges they had 10, 20 or even 30 years ago. In the meantime, the nation's burgeoning economic growth, rising population and increasing number of automobiles have all swelled the volume of legal combat.

One obvious solution, of course, is to appoint additional judges for the courts that now lag behind in their work. This is easier said than done, however. Legislation to create new judgeships often gets so deeply mired in politics

that it cannot be passed. Moreover, there is a strong feeling among some legislators that this solution is expensive and that other remedies might do at least part of the job at lower cost. Adding new judges often requires building more courtrooms and other facilities that run up the cost.

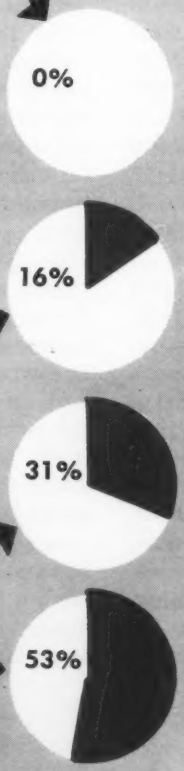
These troublesome questions can now be answered, partly from the experience of a few pioneer states and partly with the aid of research conducted at the University of Chicago and elsewhere. Two major conclusions seem warranted: First, the legal traffic jams in the courts of Chicago, New York and other cities could be cleared up and the courts put on a current basis within a relatively short time. Second, only a few extra judges would be necessary, and the cost of the other remedies would be quite modest.

The key fact is that most lawsuits are never intended to be tried and will never be allowed to reach a verdict whether the court is delayed


100 Typical Personal Injury Claims
60 claims are settled by insurance companies and claimants without resorting to lawsuits.
(Figures are based on New York City alone, which has the highest ratio of lawsuits to claims in the U.S. Nationwide, 80 of every 100 claims are settled out of court.)
35.5 claims are settled after suit is filed, but before the case is brought to trial.
2.8 settled during trial.
1.7 tried to verdict.

TIME CLOCK ON PERSONAL INJURY CLAIMS

More than half of the court's efforts are spent on a small fraction of cases.



Share of Judge's Time Consumed by Each Step Toward Personal Injury Settlement.

Claims settled out of court take up none of the judge's time.

Of the 40 claims that become lawsuits, the 35.5 settled before trial take up only 16 per cent of the judge's time.

Trials begun but not completed take up 31 per cent of the judge's energies.

Less than 2 per cent of all personal injury claims are tried to a verdict, yet such trials require 53 per cent of the judicial manpower devoted to personal injury cases.

Source: Delay in the Courts.

American Judicature Society

Los Angeles Superior Court, the world's largest, combats delay with tight scheduling that keeps a steady flow of cases ready for trial. It also encourages time-saving bench trials by assigning its 10 most popular judges to try non-jury cases.

or not. This is particularly true of personal injury suits such as those arising from auto accidents. Injured plaintiffs often file suit against offending motorists and their insurance companies merely to strengthen their bargaining position, hoping thereby to shore up a doubtful claim or to increase the amount of settlement.

Nevertheless, 80 out of 100 claims are settled amicably without resort to the courts. The remaining 20 claimants hire lawyers and file suit, thereby adding to the backlog of pending cases. However, fewer than 5 of those 20 cases will ever reach trial, and fewer than 2 will ever be tried to a verdict.

In the court year ending June 30, for example, Chicago's Superior and Circuit Courts disposed of roughly 13,700 law cases, including 9,400 in which the litigants had demanded jury trials at the time their suits were filed. Some 7,748 of them were settled voluntarily before they were even put on the trial calendar, and another 1,112 reached settlement after they were given a trial date but before trial began. Only 520 cases actually went into the courtroom, and of these only 340 were tried to a verdict.

To a startling degree, these 520 cases that went to trial are the only ones that had much effect on the court's workload. Their disposition required the efforts of about 16 judges, while the other 8,860 cases required the work of fewer than five judges. In New York City, cases settled before trial take up only 16 per cent of the court's manpower (see chart).

This means that the addition of a few more judges ready and able to conduct trials can have a dramatic effect on the backlog of pending cases. John Fitzgerald, Deputy Court Administrator for Cook County (Chicago), estimates the addition of 15 judges to the 56 now serving the county's Circuit and Superior Courts would clear up the backlog within three to five years. Even five new judges probably would enable the Chicago courts to avoid falling any farther behind. Similarly, a survey of the California courts by the Public Management Research Institute indicates San Francisco could whittle down its 14-month delay within three years by increasing its present staff of 22 judges to 24. The needs of other cities would fall somewhere between 1 and 15 judges if new judgeships were the sole remedy used.

However, a number of other alternative remedies could be utilized to provide the needed extra manpower or to reduce the size of the problem so that fewer judges would be necessary. A definitive study of these remedies has been published by the University of Chicago's Hans Zeisel, Harry Kalven, Jr., and Bernard Buchholz under the title *Delay in the Courts*. Although most of the data are drawn from an intensive analysis of the Supreme Court of New York County (Manhattan), the authors also explore the delay problem generally and assess the effectiveness of methods used in other courts.

Attorneys May Serve as Temporary Judges

Judging from this study and other sources, it appears that one of the most effective ways of cleaning up a large backlog of cases is the use of court-appointed auditors or referees. Both Massachusetts and Pennsylvania are currently using this method.

In Massachusetts, courts which find themselves falling behind may appoint qualified attorneys as auditors and authorize them to hear evidence in certain civil cases, rendering decisions as if they were bona fide judges. Either party may reject the decision, however, and demand a regular jury trial. If this happens, the auditor's findings are presented to the jury for its consideration along with the other evidence. In practice, the opposing litigants settle on the basis of the auditor's verdict about 97 per cent of the time.

Pennsylvania's referee system differs in that the cases are heard by a panel of three lawyers instead of one, and they are not allowed to decide cases involving more than $2,000. As in Massachusetts, either party may refuse to accept the decision and ask for a jury trial, but whoever does so must pay the referee's fee of $85.

The great advantage of both auditors and referees is that they can dispose of a large number of lawsuits in a short time, both by speeding up voluntary settlements and by acting in effect as temporary judges. One of the inherent evils of a delayed court system is that cases filed solely for bargaining purposes tend to lie dormant until the court intervenes in some manner and requires both sides to reveal their true intentions. By increasing its judicial manpower with the aid of auditors or referees, the court can intervene at an early stage and encourage settlement without delay. The remedy is relatively inexpensive, and it preserves the right of trial by jury for those litigants who are not satisfied with the referee's decisions.

Both systems have some disadvantages as well. One of them, according to some critics, is that they tend to be used indefinitely as substitutes for badly-needed judges and thus become a permanent fixture of the court system instead of an emergency measure. Another criticism is that the referee system as used in Pennsylvania makes it prohibitively expensive for anyone with a small claim to obtain a jury trial, and that both systems smack of second-class justice.

Pretrial: A Doubtful Remedy for Delay

A related remedy now widely used is the pretrial hearing, in which a judge gets the opposing litigants or their lawyers together several months before trial date and tries to find out how far apart they are on major issues. The original purpose of pretrial was to "streamline" the case by eliminating testimony about matters which were not at issue. This often revealed to the litigants that they were not as far apart as they thought, and a large number of cases were settled. Those that did go to trial took up less of the court's time.

As conducted by many judges today, however, pretrial is little more than a bargaining session in which the judge takes part. This results in an impressive number of settlements, but it also uses up a large amount of judicial manpower that might better be spent trying cases. As indicated earlier, most suits are destined for settlement before trial anyway.

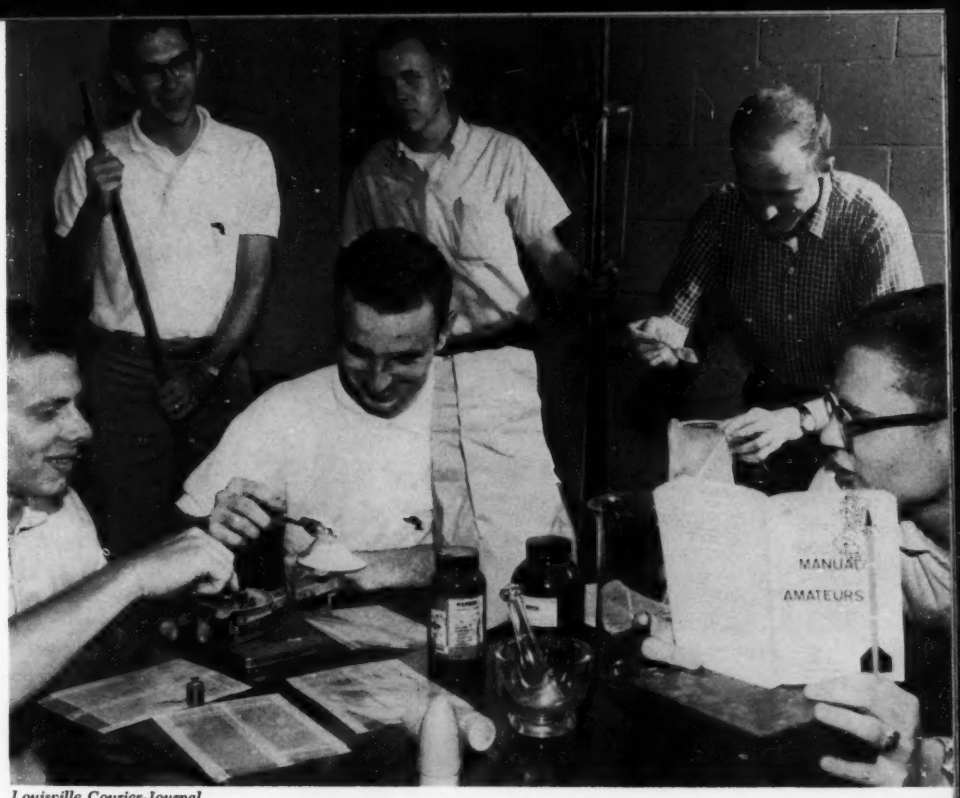
Another category of remedies that offers some help to a hard-pressed court includes summer sessions, longer working hours for judges, better scheduling methods to prevent gaps in the flow of cases to the courtroom, and court administrators to help apply judicial manpower where it is most needed at any given time. All of these ease delay by enabling the court to make more efficient use of judges' time. Another technique now being tried in some federal courts is to split personal injury trials into two parts. First the jury decides whether the defendant is liable for the damage he has been accused of causing. If not, the trial is over. But if the jury decides the defendant is responsible and should pay, the court then allows both sides to argue the question of how much damages should be awarded. Plaintiffs' attorneys generally don't like the split trial technique because it prevents them from playing up the plaintiff's injuries to help sway the jury on the liability issue. Some defense attorneys also have doubts about it because they fear it may increase the number of excessive jury awards.

One proposed remedy for delay that researchers Zeisel, Kalven and Buchholz reject as unworkable is the payment of interest on money awarded in personal injury suits, with the interest running from the date of the accident or the date the suit was filed. The traditional common law rule at present requires the defendant to pay interest only from the date the award is made until its actual payment. Those who urge the new plan say it would put financial pressure on insurance companies and other defendants to settle more claims out of court. However, it has not worked out that way in Massachusetts, Colorado and Louisiana. In fact, there is some evidence that it increases court congestion by making it profitable for injured persons to file suit immediately instead of trying to settle first.

First Requirement is Justice, Not Speed

However effective any particular remedy may be, it should meet one supreme test before its adoption is considered: Will it preserve or improve the quality of justice in addition to merely speeding it up? As Professor Zeisel put it, "We wouldn't want to make any change that we wouldn't want to live with after the delay problem is solved."

The nation's insurance companies have pledged themselves to support any workable plan for curing court delay as long as it meets that standard. ⊙



Cheerfully mixing dangerous rocket propellant, these six members of a Kentucky amateur rocket club would do better to concentrate on design and leave fuel mixing to the pros.

Louisville Courier-Journal

THEY'LL NEVER MAKE IT TO MARS

But amateur rocketeers may blast themselves into the hospital.

Fifteen-year-old Garry Kenny, amateur rocket enthusiast from Roseburg, Oregon, points to cast after accidental explosion of rocket sent a piece of steel into his foot. Majority of rocketry accident victims are between 11 and 16 years old.

Wide World

SHOPPERS FOR TOYS this Christmas will be confronted by a myriad of items that mirror the national mania for astronautics, better known as space travel. On every well-stocked toy shelf are battery-operated rocket control centers, space helmets, two-stage radar rocket cannons and such elaborate items as "Cape Canaveral," an outfit that includes an operations building, shooting rockets and space men.

Most of these toys are safe and provide outlets for young imaginations fired by programs and articles that herald man's new horizon in outer space. But the same spirit that creates business for toy sellers and gives future scientists an early start is also responsible for attempts at amateur rocketry, one of the costliest avocations a teenager can adopt.

Douglas Productions

Trouble often starts in home basements where youngsters start their own Cape Canaverals. Rocket experts encourage supervised clubs, saying that the nation has a stake in the development of scientific thinking. But they discourage attempts at firings by unsupervised amateurs.

Wide World

Grim evidence of a home rocket experiment that took the right hand of a 12-year-old Indiana boy is displayed by policeman. Shredded glove was on the hand of John Bentley when his aluminum tube rocket went off unexpectedly.

They'll Never Make It to Mars

A survey by the National Fire Protection Association in 1958 gave us some idea of the price of unscientific space probes. For a six-week period, the toll was: 8 eyes lost or partially impaired; 16 hands lost or mangled; 50 fingers lost or partially lost; 48 disfigured bodies and faces; 2 bodies pierced by rockets, and 106 "minor" injuries including cuts, burns, broken bones and injured eyes. Even this grim listing is incomplete because it was gleaned from scattered newspaper reports.

Within a few months after the Soviet Union put Sputnik I into orbit on October 4, 1957, explosions killed four amateur rocketeers, including a 40-year-old high school science teacher.

An indication of the rapid growth of amateur rocketry is found in the membership roster of the American Rocket Society, a responsible adult rocket group formed in 1930. As recently as 1949 the society had only 1,100 members and three local chapters. Last year it counted 9,000 members in 35 local groups, even though competing organizations have been formed.

For more than three years newspapers have often told similar stories: "They were packing it in a vise when the mechanism exploded." . . . "A rocket made with an 18-inch iron pipe exploded while he was watching behind a sand dune." . . . "He had been tamping more than a thousand match heads into a short length of water pipe." . . . "Police declined to identify the chemicals he was mixing."

With these tragedies have come insurance claims under fire insurance policies that cover the damage resulting from an explosion and sometimes under homeowners policies that cover liability aspects of home rocket accidents. But loss prevention departments of insurance companies cannot do much to deter teenagers from experiments that are often kept secret from parents, neighbors, teachers and friends.

Accounts of rocketry accidents lead immediately to two conclusions: Accidents almost always happen during unsupervised experiments. And nearly every casualty involves misfiring or exploding propellants. On this evidence the National Fire Protection Association in 1958 adopted this policy: "Until safe launching sites are provided and until thoroughly qualified personnel competent to supervise an amateur rocket program can be provided, manufacture of rockets by amateurs should be discouraged and their launching prohibited." NFPA pointed out that amateur rocket activities could be controlled under existing fireworks and explosives laws.

Since the NFPA statement was adopted, the rate of rocketry accidents has been reduced, largely through public awareness of hazards involved.

Pharmacists have been warned not to sell teenagers chemicals that might be used as part of propellants for liquid fuel motors. Schools

have imposed new safeguards to prevent unauthorized use or theft of chemical ingredients that might be misused by rocketeers. Law enforcement agencies have become more vigilant, as demonstrated by the policy statement of the Connecticut state fire marshal: "The issuance of a license by any fire chief or fire marshal for the purpose of constructing or launching a rocket would be in conflict with the interests of the general public."

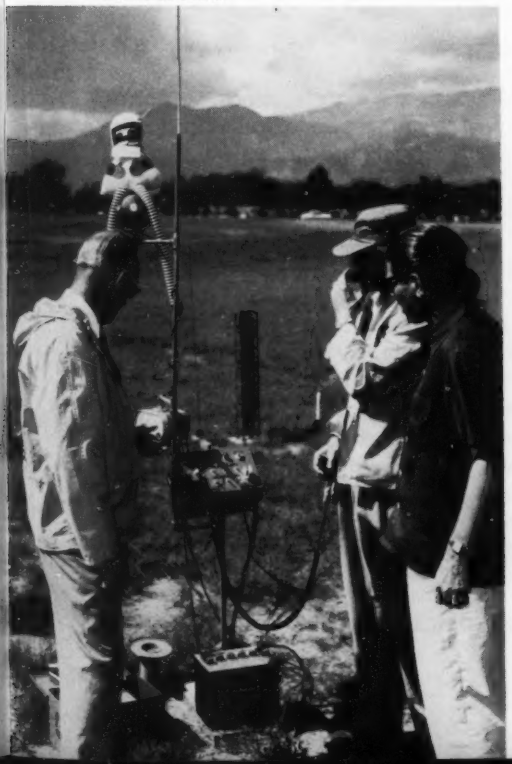
Another factor that has reduced rocketry mishaps has been the concerted effort of the American Rocket Society, military missile men, engineering societies, school teachers and public-spirited citizens to organize teenage rocket clubs under strict safety rules and with competent adult advice. Some new amateur rocket sites in remote areas have electronic firing apparatus, solid protective bunkers and stern range safety officers. A few serious amateur rocketeers have been permitted to test their devices at military ordnance stations, a policy that reflects the nation's interest in promoting scientific rocket experiments.

These advances toward sane experimentation by novice rocketeers have been somewhat offset by the availability of dangerous information. Inexpensive manuals on amateur rocketry, though they contain warnings about safety, may easily be misread by youngsters interested in rockets as fireworks. Robert F. Gartner, a rocket expert associated with Armour Research Foundation, questioned the wisdom of one rocket handbook writer who tells his readers how to mix various propellants. "I don't believe teenagers should be mixing propellants or firing. There is enough challenge in design to keep the most energetic youngster busy. Professional rocket men do not design, mix fuel and fire. They specialize. The most basic and essential of the specialties is design, and I believe young people should be kept away from fuel—in or out of a rocket. Propellant is tricky stuff to handle, even for professionals."

This recommendation is echoed in a booklet written by a Stanford University student who was a rocket enthusiast. "After you've designed your rocket," the student wrote, "you'll certainly want to know how it will perform; so use the equations of physics to calculate velocity, altitude, range and accuracy of your bird. I've 'flown' rockets more than 100 miles this way. It doesn't sound exciting but, if you're in rocketry to learn something, you'll surely learn much more this way."

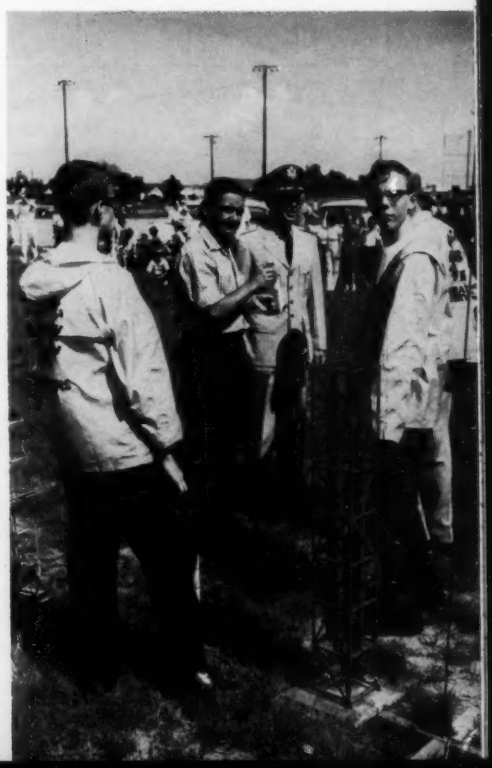
The spirit that moves young people to shoot for the moon is indeed hard to suppress, as demonstrated by a teenager who announced that he would launch a big rocket at precisely the first anniversary of the moment his thumb was blown off in an earlier experiment. And there was the comment of the amateur who watched his rocket fizzle after five years of work: "Well, that's the rocket business." ⊙

Air Force Photos



←
Qualified adult advisors can make amateur rocketry safe and useful. Here a check is made of a safety panel by Fred Bischoff, science supervisor of Colorado Springs city schools; William Roe, chairman, Pikes Peak Rocket Advisory Council, and John Neeson, safety administrator for the Air Force.

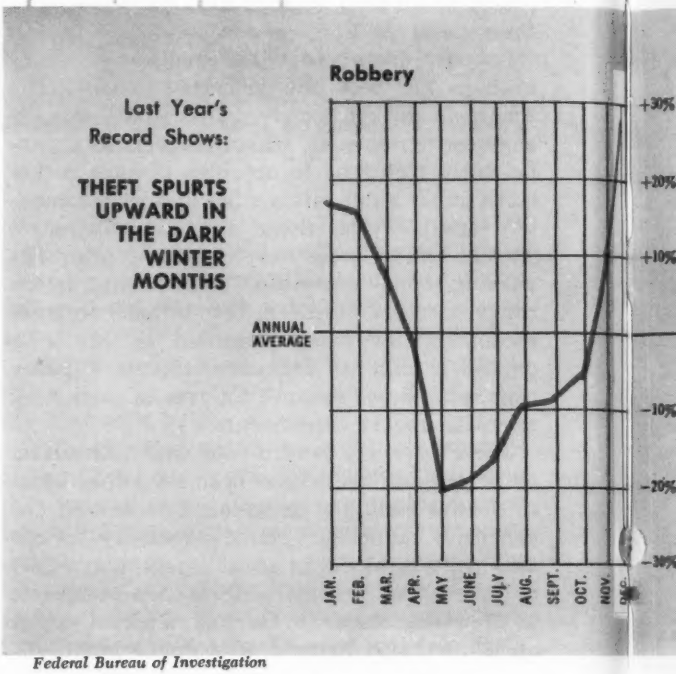
→
At launching pad of rocket range with strict safety rules, these teenagers have the benefit of advice from engineers, Air Force officers. G. Harry Stine, trustee of the National Association of Rocketry, holds tiny model rocket. Air Force Brigadier General P. W. Scheidecker watches experiments.



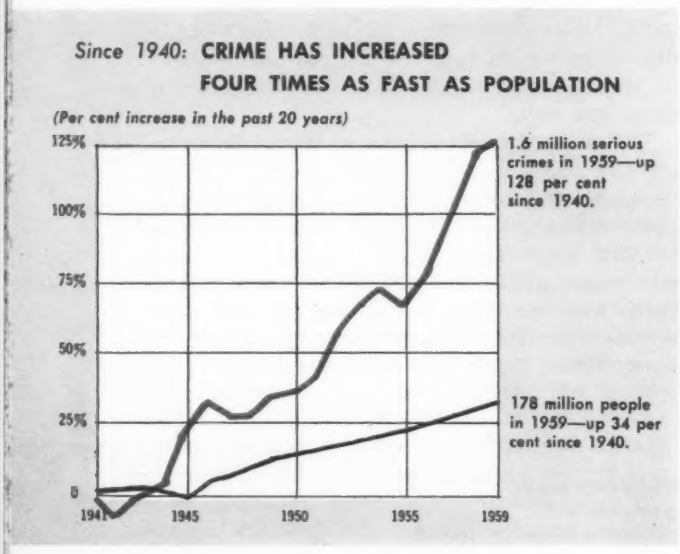
DECEMBER

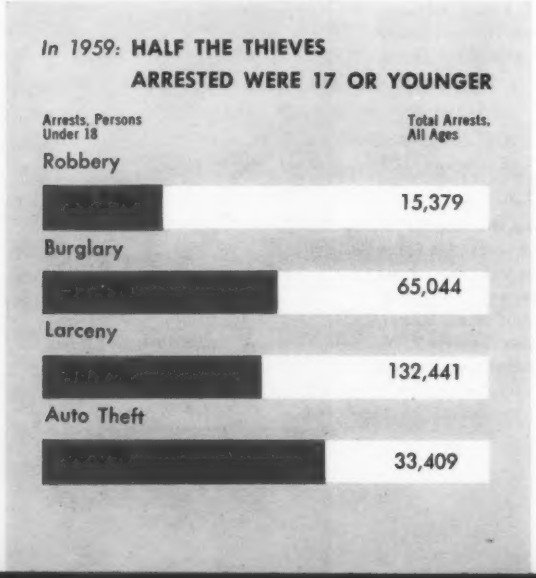
OPEN SEASON FOR THIEVE

December is the month of greatest peril as crime soars to an all-time high.



Federal Bureau of Investigation



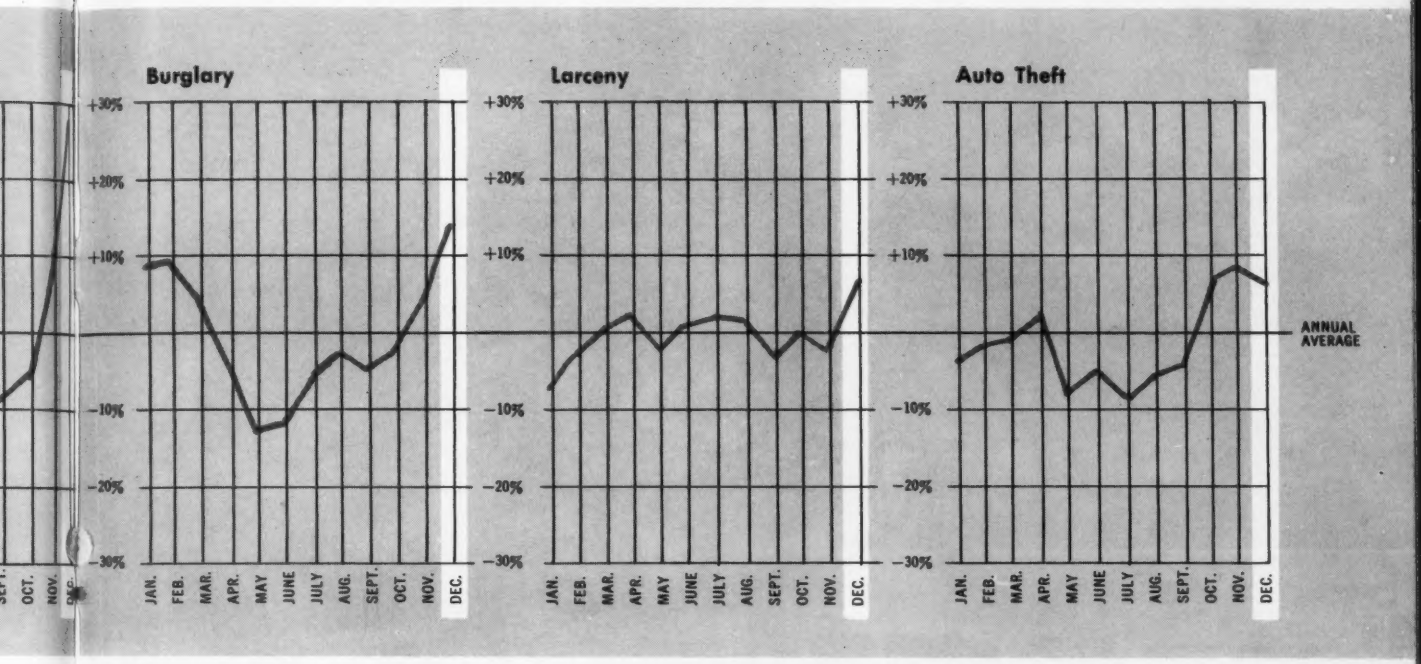


THIS WILL COME as a rude shock to Santa Claus, but more youngsters are likely to be arrested for thievery in the next 30 days than in any other month in the memory of the FBI.

Christmas spirit notwithstanding, the plain fact is that December is the worst month of the year for robberies, burglaries, larcenies and other assorted crimes against property—and youngsters 17 and under are committing about one-half of the entire U. S. total. Their disproportionate share of such crimes has been rising steadily since 1948, helping to push the volume of serious crimes in this country to an all-time high last year. Reports for the first three quarters of 1960 indicate that record will be broken for the 12th straight year.

This sorry record cannot be explained away by

EVERY



the rise in population, since crime has been increasing four times as fast as people. Among juveniles, arrests have doubled since 1948 while the juvenile population has increased less than one-half. Adult crime is up also, though the rise has not been nearly so great.

Together, juvenile and adult criminals stole more than $500 million in loot during 1959. The FBI estimates there were 71,540 robberies, 288,300 auto thefts, 403,400 larcenies of $50 or more, and 685,900 burglaries committed.

These losses have exerted tremendous pressure on insurance rates for all types of crime coverages, particularly on the broad homeowners policies that now cover theft losses as well as fire, windstorm and other perils all in the same package. Burglars increased their attacks on residences by seven per cent last year, and the average loss was $186.

Although police recovered 92 per cent of the 288,300 stolen automobiles, this still leaves about 23,000 vehicles which were not recovered. At an average value of $829 per car, this represents a direct loss to motorists and their insurance companies of more than $19 million on auto thefts in a single year.

For other types of property stolen, the recovery rate was much lower—about 13 cents on each dollar. Thus the direct loss to property owners and insurers for other types of theft was at least $150 million.

These are grim figures for the Christmas season. But they are realities that every property owner and insurance company must deal with. ⊙

Latest in laundry equipment—nearly $500,000 worth of it — is tested in the institute's big laundry. Changes in equipment and methods are taking place constantly in an effort by the AIL to keep abreast of the latest trends in this fast moving, ever improving industry.

Certified Washable Seal Laboratory of institute is where experts give fabrics the "third degree" to determine their quality. In the foreground, lab worker removes fabric strips from a "Fade-Ometer" which can measure the sun-fastness of colors within 40 hours.

Technicians take measurements of a sheet before and after launderings to determine precise shrinkage. In left background, textile analyst makes a microscopic examination of a sample fabric swatch while another technician puts fabric in oven for perspiration test.

American Institute of Laundering Photos

IS WASHDAY HERE

Vine-covered AIL headquarters in Joliet each year receives more than 5,000 visitors to view the latest in laundering equipment and modern methods of operation.

Sticky problems of the nation's laundry industry have kept this institute busy for 77 years.

PROBLEMS, 5,000 PACKAGES OF THEM, arrive each year at a big brick building on the southern edge of Joliet, Illinois.

Inside the packages can be anything from a tangled pair of coveralls to a combustible brassiere. But nothing yet has stumped the staff of laundry-textile experts who are challenged daily by the parcels. They are staff members of the American Institute of Laundering.

For more than 77 years the institute, a nonprofit research and development center of the textile and professional laundry industries, has been facing problems of an unbelievable variety. The institute's solution average is just as unbelievable.

Supported by more than 70 per cent of the nation's 6,500 family-service and commercial laundries, the AIL has become the official proving and improving ground for this billion dollar industry.

When one of the institute's 4,700 member laundries runs into an offbeat problem, it is sent to the Joliet headquarters where a staff of technicians sets out to ferret out the cause and report on how it can be prevented in the future. For example, when a Midwestern laundry was gutted by a fire of undetermined origin a few years ago, the institute was called in to investigate.

During the investigation, an employee of the laundry mentioned that a brassiere she had been wrapping shortly before the fire broke out had been unusually hot. A similar garment was located and taken to the institute's research laboratory where tests were run. It was soon discovered that the brassiere's built-in foam-rubber pads became oxidized when heated in the laundry's tumblers (dryers). The heat built up to a point where burning started inside the rubber, and the bra soon burst into flames, followed in short order by the laundry.

Because of this discovery by the AIL, products containing foam-rubber now have inhibitors that prevent oxidation. This safety step has undoubtedly prevented countless home and laundry fires.

In addition to determining the faults of various laundry items, the institute tests new fabrics for washability, makes detailed studies of laundry equipment and supplies members with the latest information and advice on production and engineering techniques. The in-

stitute also gathers, evaluates and distributes volumes of data to assist laundryowners in their handling of problems in accounting, sales, maintenance, and office procedures and methods.

There was a time when laundryowners' problems were limited to laundering properties of cotton, linen, wool and silk. Recently, however, there has been an influx of man-made fibers and inorganic materials—from acrylics to Zefran. These are tested and retested by the institute against shrinkage, fading, perspiration damage, bleeding, crocking and tearing. Fewer than 50 per cent of the fabrics tested receive the AIL's "Certified Washable" seal.

Well-Planned Insurance Program Stressed

One of the most important duties the AIL has in serving its member laundries is helping them to become properly insured. Service bulletins are issued regularly to members, explaining how well-planned insurance programs can be obtained. A fault found too often among the laundries, and in most small businesses, is that the owners spread their coverage too thin among several agents who are also usually customers of the laundries.

Members are urged to purchase a single policy, whenever possible, to cover the entire laundry operations. The institute's reasoning is that a single insurance company receiving all of a laundry's business will provide better service in the fields of appraisal and valuation, rate analysis, audit service, loss prevention and will pay more specific attention to a laundry's individual needs and problems. The AIL practices what it preaches, for the big laundry headquarters and its half million dollar "model" laundry have a single insurance program with one mutual company.

Activities of the laundry association date back to 1883, when 50 laundryowners from 17 states met in Chicago to form the Laundryowners National Association, the forerunner of the AIL. This group of founders was determined to see that their industry, then a comparative baby, would grow into adulthood under the proper tutelage.

When the LNA was organized, some laundries were operating in shed-like structures. Most of these early versions were on the "wrong side" of the railroad tracks and work was still being done by hand. Washing machines were few and crude, with the first power laundry having been established only a few years earlier.

Textile and laundering chemist Lee Johnston is taking a photomicrograph showing cross section of the fibers in a sample fabric. Equipment is also used to identify blends and study damaged fabrics. Johnston and his staff of technicians each year solve thousands of laundry problems.

It was in Oakland, California, during the gold rush days that the Contra Costa laundry boasted of a 12-shirt washing machine which was hitched up to a 10-horsepower donkey engine. It apparently worked, for the Contra Costa did a booming business. Prospectors had previously been sending their grimy clothing by ship to Hawaii. There native women would attempt to restore a fair semblance of cleanliness and return them. This round trip took an average of six months.

Between 1850 and 1860, the laundry industry was showing signs of becoming completely mechanized. Some 2,000 patents on washing machines had been issued by 1875, plus patents on ironing machines, wringers, mangles, flat irons and boilers.

Before a new launderable item can receive the institute's seal of approval, it must pass the tensile strength test. After item is laundered, it is placed in this Scott Tester. Dial at top will show degree of tension before tearing.

Laboratory technician conducts a spray test to determine the water repellency quality of a test fabric. Conditions are controlled so as to duplicate the reaction of the fabric to rain. Room's temperature and humidity must be exact.

Tearing tester is used to determine the resistance of fabric to strain. After swatches of the fabric are cut to specified sizes, a series of tests are made on the machine to check how strongly the material resists tearing.

At the turn of the century, United States census figures showed that the industry had grown to where it was then doing an annual volume of more than $100 million. Today the volume of diaper service alone is nearing this total, and the entire annual dollar volume of professional laundries is fast approaching the $2 billion mark. In place of dingy shacks along the railroad tracks, most laundries are now housed in sleek modern buildings. Today's average laundry employs about 35 workers and has an average annual dollar volume of nearly $150,000. Equipment is expensive and up to date.

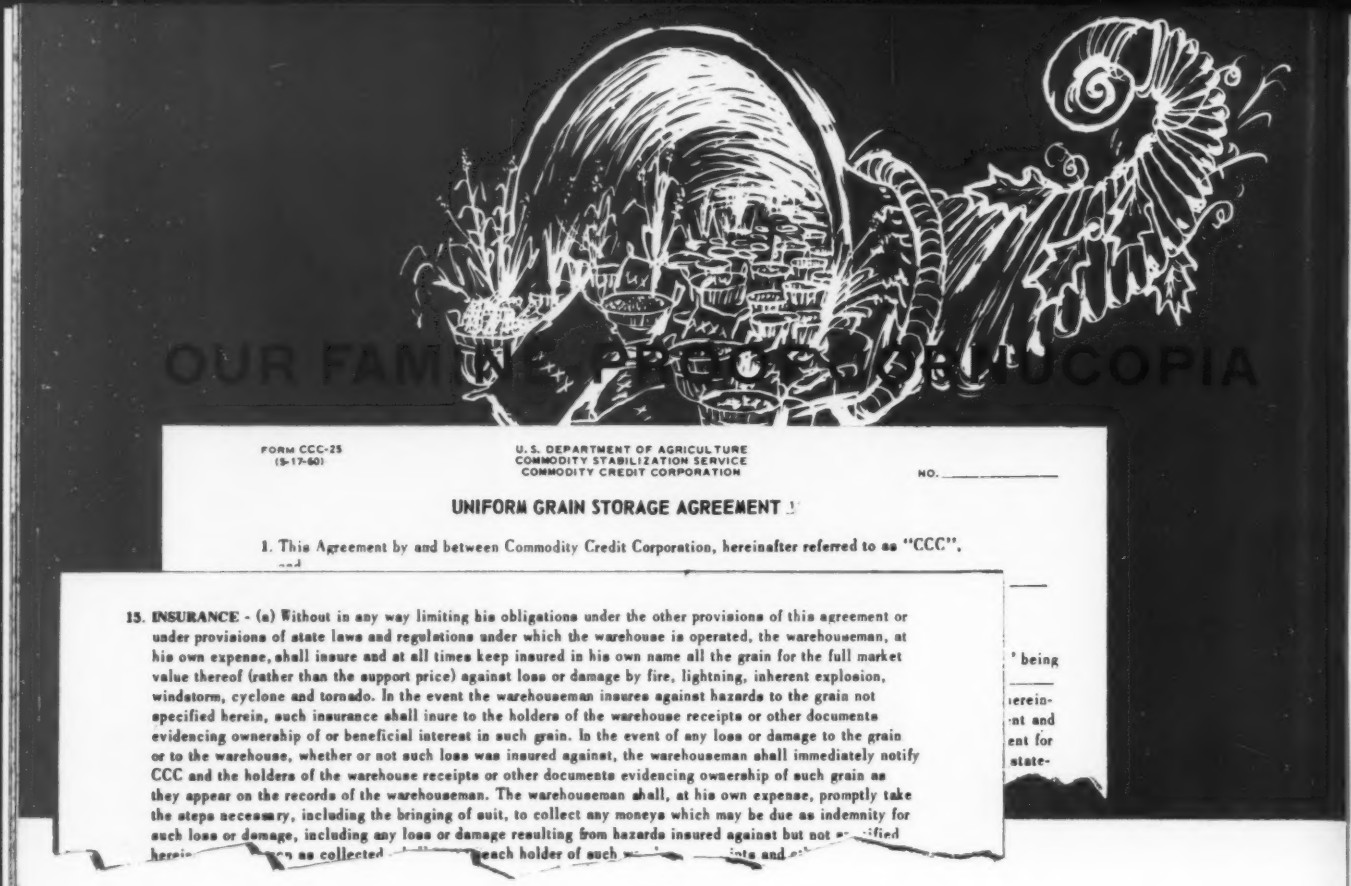
Last year the industry processed more than five billion pounds of laundry, including some 260 million men's shirts. To do this job, it took 150 million pounds of soap, 210 million pounds of alkali, 37 million pounds of starch, 212 million shirt boxes and various other items too numerous to mention.

Trends show that diversification is moving within this vast industry, with a few laundries experimenting in shirt-rental services and, of all things, shoe repairing.

With more variety, tomorrow's laundries will unquestionably face a multitude of problems brought on by new products and techniques. This will place even greater demands upon the American Institute of Laundering.

Experts, however, will still have time to fill requests similar to that made recently by a French woman. The institute received a large box from Paris with an electric blanket inside. The woman enclosed a note stating that she had tried throughout France to find a laundry that could clean the blanket, but with no luck. Then someone told her of the AIL.

The institute granted her wish by sending back the cleanest electric blanket France ever saw. ⊙



FORM CCC-25
(5-17-60)

U. S. DEPARTMENT OF AGRICULTURE
COMMODITY STABILIZATION SERVICE
COMMODITY CREDIT CORPORATION

NO. _____

UNIFORM GRAIN STORAGE AGREEMENT

1. This Agreement by and between Commodity Credit Corporation, hereinafter referred to as "CCC",

15. **INSURANCE** - (a) Without in any way limiting his obligations under the other provisions of this agreement or under provisions of state laws and regulations under which the warehouse is operated, the warehouseman, at his own expense, shall insure and at all times keep insured in his own name all the grain for the full market value thereof (rather than the support price) against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone and tornado. In the event the warehouseman insures against hazards to the grain not specified herein, such insurance shall inure to the holders of the warehouse receipts or other documents evidencing ownership of or beneficial interest in such grain. In the event of any loss or damage to the grain or to the warehouse, whether or not such loss was insured against, the warehouseman shall immediately notify CCC and the holders of the warehouse receipts or other documents evidencing ownership of such grain as they appear on the records of the warehouseman. The warehouseman shall, at his own expense, promptly take the steps necessary, including the bringing of suit, to collect any moneys which may be due as indemnity for such loss or damage, including any loss or damage resulting from hazards insured against but not specified herein, when as collected, to each holder of such warehouse receipts and

Gifted U.S.A. has a bountiful supply of surplus products well-insured against financial loss.

By H. William Henderson

WHEN A GRAIN ELEVATOR burns these days, it's a good bet that Uncle Sam has a financial interest in some of the destroyed commodities. But it's an even better bet that Uncle won't suffer financial loss from the fire. All grain coming under the government's price support program is insured when stored in commercial warehouses.

Several other price-supported farm products are insured under certain circumstances when commercially stored. These include rough rice, dry edible beans, vegetable oils, turpentine and cotton.

Altogether, it's a sizable operation. In mid-1960, the Commodity Credit Corporation's investment in crop surpluses amounted to $8.7 billion. Of that total, approximately $6 billion worth of products, or about 70 per cent, was covered by insurance taken out by warehousemen storing commodities under agreements with CCC.

Insurance on surpluses is not new by any means. Insurance has been a feature of the price support program from 1933, when the Commodity Credit Corporation was organized, right up to the present. However, insuring practices have undergone some evolution over the years.

Early in the game, price supported commodities were insured under blanket policies taken

out and paid for directly by CCC itself. Later, CCC required producers or warehousemen to carry primary insurance on loan collateral. CCC itself carried secondary insurance to protect itself when warehousemen failed to insure. Other changes were made in 1940, 1948 and 1952. Most of the practices followed today have been in effect since 1952.

Today CCC requires warehousemen, generally speaking, to take out insurance on fungible commodities commercially stored on a commingled basis with like commodities, regardless of whether they are owned outright by CCC or by farmers and pledged to CCC as loan collateral. CCC also requires insurance on recourse loans and on CCC-owned commodities in ocean transit or stored in foreign countries.

Details Are Summarized for Various Crops

Insurance is *not* carried on government-owned grain stored in government bins and ships; on some government-owned, commercially warehoused commodities; on some loan collateral commodities commercially warehoused on an identity-preserved basis; nor on farm-stored loan collateral commodities. In mid-1960 about $2.7 billion of the CCC's price support investment was not covered by insurance.

Highlights of insurance requirements by commodities are:

Grain — Warehousemen storing CCC-owned and farmer-owned loan collateral grain must insure against fire, lightning, inherent explosion, windstorm, cyclone and tornado. "Grain," as defined in CCC's Uniform Grain Storage Agreement, includes wheat, corn, oats, barley, rye, grain sorghums, flaxseed and soybeans. The warehouseman insures in his own name at full market value rather than at the support price. "Full market value" is the legal value used by underwriters, in the state where the loss or damage occurs, in paying for grain insured for its actual cash value.

Insurance on grain costs warehousemen an average of about 4/10 of a cent a bushel a year.

Rough rice and dry edible beans—Insurance must be carried on CCC-owned and loan collateral rough rice, and on loan collateral dry edible beans.

Insurance provisions with respect to risks are generally similar to those for grain.

Average costs of insurance approximate one cent per hundredweight per year.

Cotton—Loan collateral cotton, which is always stored on an identity-preserved basis, must be insured. If the price support loan is not repaid, the cotton remains insured until after CCC has acquired title to it.

No cotton owned by CCC is insured except "Choice (A)," that is cotton grown by producers who stay within their regular farm acreage allotments. An exception is made for this reason: Choice (A) cotton already is insured by the producer when CCC acquires it. CCC must offer this cotton for sale promptly, and often holds it for only a relatively short time. To avoid the bother to everybody of canceling and reinstating insurance, the insurance taken out by the producer is extended by CCC until the cotton has changed hands, but it is not extended later than the end of the marketing year in which the cotton was purchased.

The average cost of fire insurance (and sometimes all-risk) which is included in warehousemen's published tariff for storage, approximates 3-3½ cents a bale per month.

Oils and Turpentine Handled Separately

Vegetable oils (cottonseed, linseed and tung oils)—Insurance is required on all CCC-owned commingled oils and also on commingled, loan collateral tung oil.

Oils are insured for full market value against loss or damage by fire, lightning, explosion, leakage, windstorm, hurricane and tornado.

Cost of insurance to the warehouseman averages between 10 and 15 cents per ton per month.

Turpentine—Loan collateral turpentine must be insured for its full market value, or its loan value, whichever is higher.

Insurance, of the inland marine type, covers fire, inland transportation and extended coverage, including but not limited to leakage from any cause whatsoever.

Cost of the insurance to the warehouseman averages about one cent per barrel per month.

Some Products Are Under "Collateral Fees"

Commercial insurance is not required on tobacco, peanuts and rosin warehoused under the price support program. Instead, CCC uses an interesting system of "collateral fees" which tend to offset physical losses or damage sustained by the stored commodities. Price support for these three commodities, unlike programs for grain, is handled through producers' cooperative associations, which are financed by loans from CCC.

OUR FAMINE-PRICE CORNUCOPIA
FORM CCC-25
(5-17-60)
U.S. DEPARTMENT OF AGRICULTURE
COMMODITY STABILIZATION SERVICE
COMMODITY CREDIT CORPORATION
NO.
UNIFORM GRAIN STORAGE AGREEMENT
1. This Agreement by and between Commodity Credit Corporation, hereinafter referred to as "CCC",
15. INSURANCE - (a) Without in any way limiting his obligations under the other provisions of this agreement or under provisions of state laws and regulations under which the warehouse is operated, the warehouseman, at his own expense, shall insure and at all times keep insured in his own name all the grain for the full market value thereof (rather than the support price) against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone and tornado. In the event the warehouseman insures against hazards to the grain not specified herein, such insurance shall inure to the holders of the warehouse receipts or other documents evidencing ownership of or beneficial interest in such grain. In the event of any loss or damage to the grain or to the warehouse, whether or not such loss was insured against, the warehouseman shall immediately notify CCC and the holders of the warehouse receipts or other documents evidencing ownership of such grain as they appear on the records of the warehouseman. The warehouseman shall, at his own expense, promptly take the steps necessary, including the bringing of suit, to collect any moneys which may be due as indemnity for such loss or damage, including any loss or damage resulting from hazards insured against but not specified

Gifted U.S.A. has a bountiful supply of surplus products well-insured against financial loss.

By H. William Henderson

WHEN A GRAIN ELEVATOR burns these days, it's a good bet that Uncle Sam has a financial interest in some of the destroyed commodities. But it's an even better bet that Uncle won't suffer financial loss from the fire. All grain coming under the government's price support program is insured when stored in commercial warehouses.

Several other price-supported farm products are insured under certain circumstances when commercially stored. These include rough rice, dry edible beans, vegetable oils, turpentine and cotton.

Altogether, it's a sizable operation. In mid-1960, the Commodity Credit Corporation's investment in crop surpluses amounted to $8.7 billion. Of that total, approximately $6 billion worth of products, or about 70 per cent, was covered by insurance taken out by warehousemen storing commodities under agreements with CCC.

Insurance on surpluses is not new by any means. Insurance has been a feature of the price support program from 1933, when the Commodity Credit Corporation was organized, right up to the present. However, insuring practices have undergone some evolution over the years.

Early in the game, price supported commodities were insured under blanket policies taken

out and paid for directly by CCC itself. Later, CCC required producers or warehousemen to carry primary insurance on loan collateral. CCC itself carried secondary insurance to protect itself when warehousemen failed to insure. Other changes were made in 1940, 1948 and 1952. Most of the practices followed today have been in effect since 1952.

Today CCC requires warehousemen, generally speaking, to take out insurance on fungible commodities commercially stored on a commingled basis with like commodities, regardless of whether they are owned outright by CCC or by farmers and pledged to CCC as loan collateral. CCC also requires insurance on recourse loans and on CCC-owned commodities in ocean transit or stored in foreign countries.

Details Are Summarized for Various Crops

Insurance is *not* carried on government-owned grain stored in government bins and ships; on some government-owned, commercially warehoused commodities; on some loan collateral commodities commercially warehoused on an identity-preserved basis; nor on farm-stored loan collateral commodities. In mid-1960 about $2.7 billion of the CCC's price support investment was not covered by insurance.

Highlights of insurance requirements by commodities are:

Grain — Warehousemen storing CCC-owned and farmer-owned loan collateral grain must insure against fire, lightning, inherent explosion, windstorm, cyclone and tornado. "Grain," as defined in CCC's Uniform Grain Storage Agreement, includes wheat, corn, oats, barley, rye, grain sorghums, flaxseed and soybeans. The warehouseman insures in his own name at full market value rather than at the support price. "Full market value" is the legal value used by underwriters, in the state where the loss or damage occurs, in paying for grain insured for its actual cash value.

Insurance on grain costs warehousemen an average of about 4/10 of a cent a bushel a year.

Rough rice and dry edible beans—Insurance must be carried on CCC-owned and loan collateral rough rice, and on loan collateral dry edible beans.

Insurance provisions with respect to risks are generally similar to those for grain.

Average costs of insurance approximate one cent per hundredweight per year.

Cotton—Loan collateral cotton, which is always stored on an identity-preserved basis, must be insured. If the price support loan is not repaid, the cotton remains insured until after CCC has acquired title to it.

No cotton owned by CCC is insured except "Choice (A)," that is cotton grown by producers who stay within their regular farm acreage allotments. An exception is made for this reason: Choice (A) cotton already is insured by the producer when CCC acquires it. CCC must offer this cotton for sale promptly, and often holds it for only a relatively short time. To avoid the bother to everybody of canceling and reinstating insurance, the insurance taken out by the producer is extended by CCC until the cotton has changed hands, but it is not extended later than the end of the marketing year in which the cotton was purchased.

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CCC makes certain types of loans which, unlike price support loans, must be repaid in cash. These "recourse" loans contrast with the well-known "nonrecourse" price support loans which are satisfied with the delivery of the agricultural commodities put up as collateral. CCC requires insurance on recourse loans.

Storage facilities—Among the recourse-type loans are advances CCC makes to farmers to finance farm-storage facilities for grains and other storable commodities. Facilities include cribs, bins, driers, air circulators, ventilators and the like. Loans are payable in four annual installments at an interest rate of four per cent a year.

CCC requires insurance at the full value of the loan, for the life of the loan, on all immovable buildings, on all movable buildings costing $1,000 or more and on all equipment. (CCC may, in some states, require insurance on buildings costing less than $1,000.)

Insurance is payable jointly to CCC and the borrower.

Large Crop Loans—The 1960 Agricultural Appropriation Act puts a limit of $50,000 on nonrecourse loans producers may receive under the price support program unless they reduce production (or acreage) by 20 per cent. Loans above $50,000 must be paid back in cash.

Commodities put up as collateral on borrowings from CCC in excess of $50,000 must be insured by the producer.

Record Exports Are a Field for Insurance

Large quantities of agricultural commodities are moving overseas these days. As a matter of fact, agricultural export volume set a new record in the 1959-60 fiscal year. The value of exports, at $4.5 billion, was the second-highest of record.

Although CCC requires insurance on CCC-owned farm products in ocean transit, and on CCC-owned commodities stored in foreign countries, most of today's agricultural exports are not CCC-owned. The bulk of the farm-product shipments moving in commercial channels are owned by U. S. exporters or foreign importers. Insurance, therefore, is not a factor—at least so far as the U. S. Government is concerned.

Insurance required by CCC ends at the time the commodity is delivered to the purchaser. If CCC-owned grain, for example, is delivered to the purchaser at an inland point, insurance coverage extends only to the time the grain is unloaded from the elevator into the freight car and the freight car is accepted by the carrier. If the elevator is at a seaport, insurance coverage extends to the grain only until it leaves the unload spout at shipside. When the purchaser accepts the commodity, insurance becomes his responsibility.

Some of the biggest purchasers apparently are not insurance conscious. In May, 1960, the United States agreed to sell India over a four-year period 587 million bushels of wheat and 22 million hundredweight of rice—the biggest single food transaction in history. Chances are that this grain will move to India without insurance—that is, unless an enterprising agent gets on the job. Under previous agreements against which the government of India has shipped more than 9 million tons in bulk, it has not taken out marine insurance. Shipments under the new agreement probably will follow the same pattern.

In the case of tobacco, cotton and nonfat dry milk, the Public Law 480 authorizations issued by the Agriculture Department's Foreign Agricultural Service usually provide for shipment on a cost-and-freight, or cost-insurance-freight basis. When the commodity is shipped c.i.f., Public Law 480 financing is available for commodity insurance and ocean freight for that quantity required by the Agriculture Department to be shipped on U. S.-flag vessels. The tonnage shipped on American vessels is approximately 50 per cent of the tonnage exported, the amount required to comply with the Cargo Preference Act.

A review of CCC's insuring practices over the years leads inescapably to the conclusion that there has been a marked change in CCC's reason for carrying insurance on warehouse commodities. It would be better, perhaps, to say that the reason for insurance has broadened.

Insurance Functions in a Changing Role

Up to about 10 years ago, CCC's primary justification for insurance on a big part of its surpluses was to reduce the risk of losses from fire, explosion and other hazards. The risk factor is still in the picture but insurance has become increasingly a device for facilitating and reducing cost of administration.

This additional justification is spelled out in a CCC policy docket which states, in part:

"Experience has indicated that it is desirable to carry insurance on fungible commodities stored commingled with those of others *in order to avoid serious claims and operational problems incident to adjustment and settlement of uninsured losses.*" (Author's italics.)

"In the case of collateral on recourse loans, the borrower is liable for repayment of the loan, even though the collateral is destroyed. Therefore it is deemed desirable to require the borrower, at his expense, to carry insurance in favor of CCC to the extent of the loan, *in order that CCC avoid expenses and difficulties incident to collection from the borrower in the event the collateral is destroyed.*

"It is also deemed desirable to carry *insurance on ocean cargoes in order to avoid involved investigations and settlements which many times entail prolonged operational and claims problems.*

"It is desired to insure commodities stored in foreign countries *in order to avoid situations which might involve CCC in litigation in the courts of those countries.*"

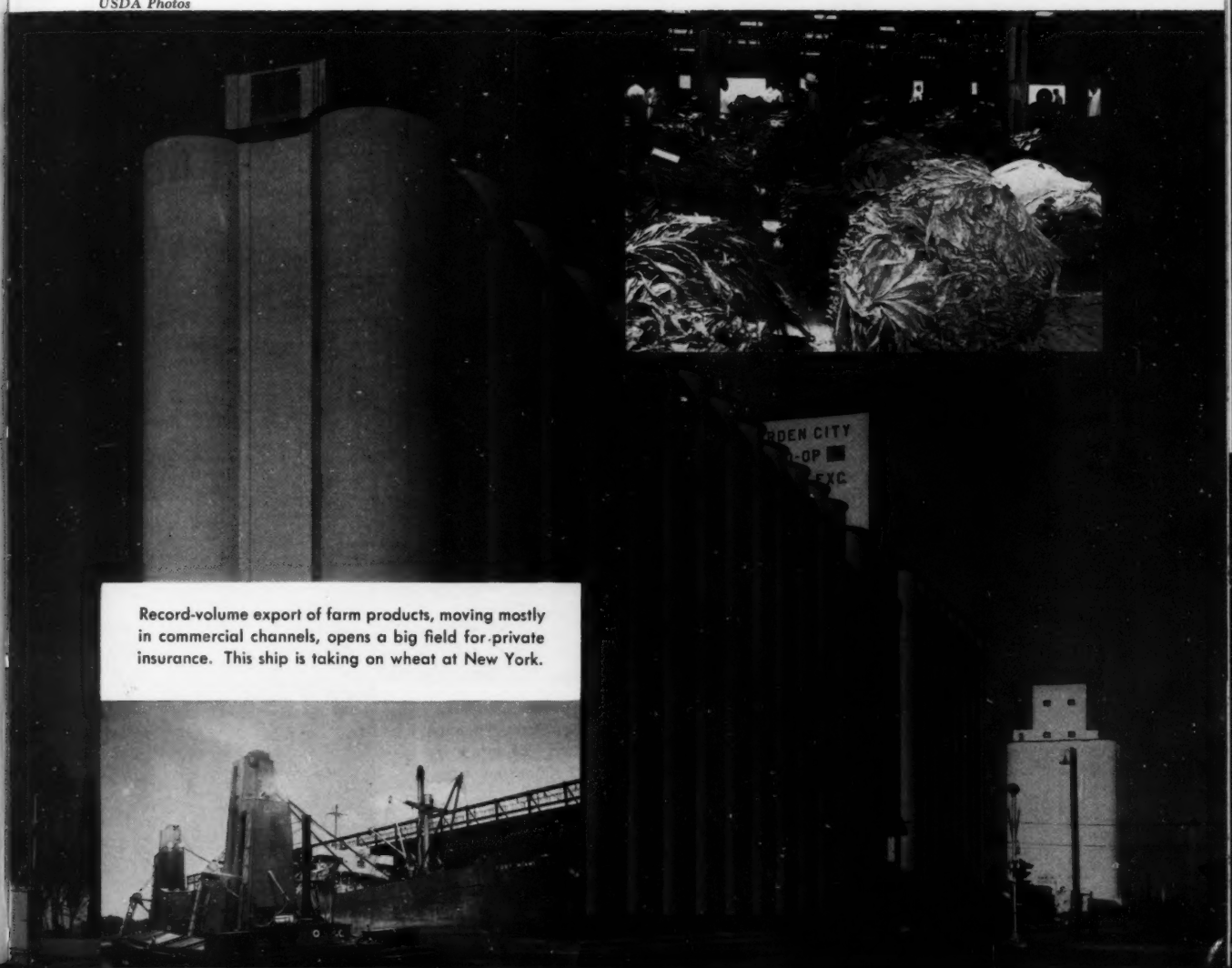
CCC officials won't hazard a guess as to the magnitude of savings in administrative costs, arising out of insurance. They believe, however, that such savings are "considerable."

The Commodity Credit Corporation keeps all aspects of insurance under continuous review. The fact that insurance practices have been changed in the past indicates clearly that current insuring policies are not frozen into a rigid pattern. The future could well bring some very significant changes in the "surplus" insurance picture. ⊙

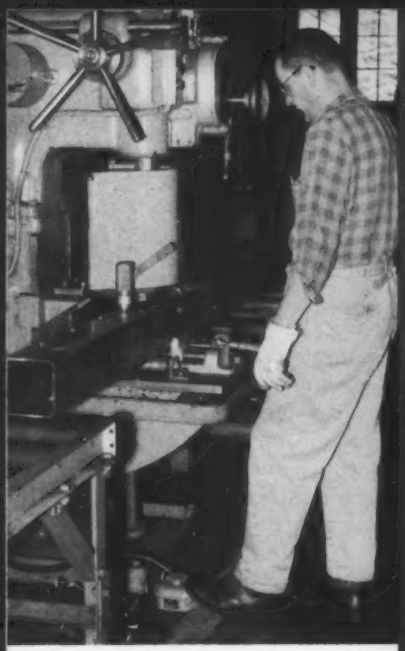
This is the largest country elevator in Kansas; capacity 1.3 million bushels. Large or small, warehousemen storing CCC-owned or farmer-owned loan collateral grain must insure against fire, lightning, inherent explosion, windstorm, cyclone and tornado.

Tobacco price support is handled by co-operative marketing associations operating through local warehouses such as this one at Marlboro, Maryland. "Collateral fees" take the place of private insurance on warehoused tobacco, peanuts and on rosin.

USDA Photos

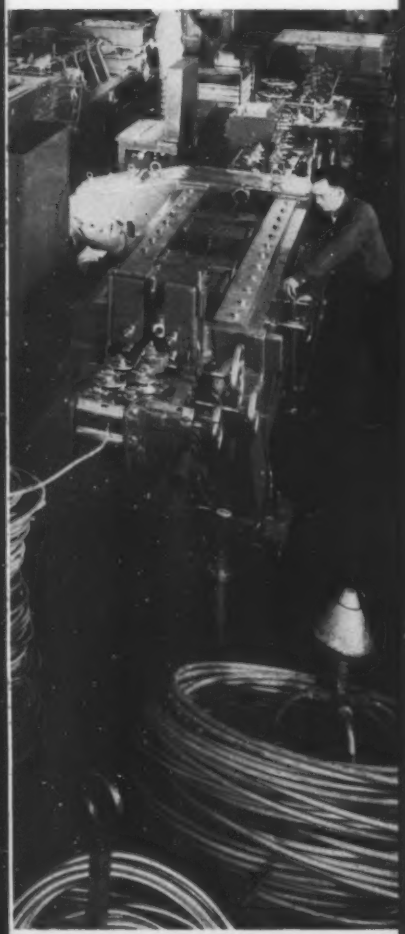


Record-volume export of farm products, moving mostly in commercial channels, opens a big field for private insurance. This ship is taking on wheat at New York.

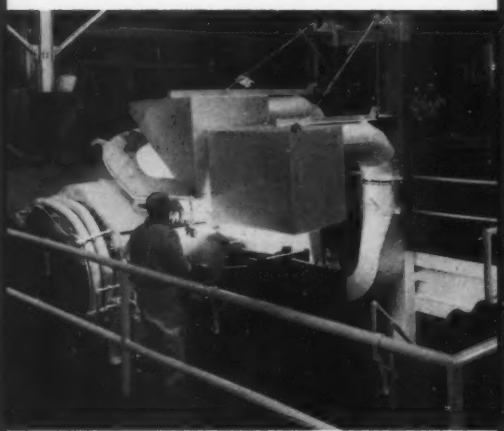


On drilling jobs, such as shown here, and on grinding and polishing operations, the wearing of safety glasses, company provided, is now mandatory.

Torrington division, which has this automatic rod finishing equipment, was one of the four American Brass units to win a 1959 safety citation.

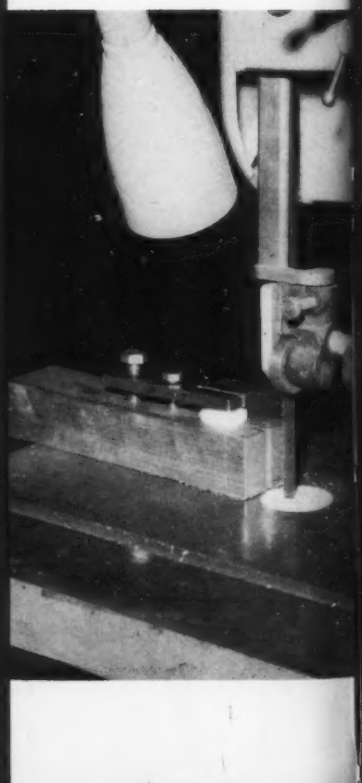


Tony Jankowski, the caster whose sight was saved when that left lens of those safety glasses stopped the blob of molten metal, no respecter of his 24 years of experience.



The safety record made by American Brass is the more notable because of the diffused, multiple-plant operations. This electric furnace, Buffalo, casts 3,000-pound bars.

Safe as it may appear, this method of holding material to be band-sawed was one of the reasons American Brass was having a too-high frequency of lost-time injuries. Then trouble spots were tracked down. Now a clamping, holding method (below) is used.



Safety history was made this year by American Brass employees and thereby

THEY PUT CHRISTMAS INTO THEIR WORKADAY WORLD

TONY JANKOWSKI this Christmas has something for family, friends and himself to be prized above any gift he might be able to buy.

He has his good left eye, vouchsafed by what he trusted and practiced.

Best of all, Tony's Christmas will have its counterpart throughout the ranks of his fellow workers in the Anaconda American Brass Company. For they have made history during the past year in occupational safety.

Their story has a harmonious overtone for the Christmas season—an on-the-job fulfillment of what Christmas means in respect for the gift of life itself, in consideration for one's children, in fealty to family-life ties and in compassion for others. But what makes the American Brass story extraordinary is that up until five years ago the company's safety record was the worst in the business, paradoxical for the largest copper and brass fabricator in the country.

During the past year four of the company's 11 plants won awards by the Copper & Brass Research Association for 1959 occupational safety

Automatic conveying of 3,000-pound bars from hot breakdown roll to scalping machines at the Kenosha mill, first at press time in the 1960 safety records of the comparable U. S. plants.

records. In the most recent statistics available for 1960, covering the first seven months of the year, four of the company's eight plants stood at the very top of the occupational safety ratings in the industry and four other American Brass installations were within the top ten places.

In recent years the over-all lost-time accident frequency for the copper and brass industry has been 8 per million man-hours or slightly higher, whereas in those same years Anaconda American Brass has reduced its company-wide frequencies to between 3.2 and 3.7.

Tony Jankowski's case is the behind-the-scenes story of how American Brass has gone to the top in occupational safety. He is a skilled caster of 24 years experience and as such can be counted upon to observe all the safety rules. One of those rules is the wearing of safety glasses. On May 12 as he was pouring a special 10¼-inch tube mold, a gob of splashing molten metal made an almost perfect bull's-eye on the left lens of his safety glasses. Thus it is that this Christmas he has his good left eye, rather than a glass one, for all that eyesight means to those around him—and to him.

Company Once Had a Low Safety Rating

Regularly, before 1956, comparative figures for occupational safety in the copper and brass industry ranked American Brass plants at the bottom. G. W. O'Neil, appointed employee communications and safety administrator, recalls that the one variation he looked for in the monthly comparisons was which one of their plants would be in last place.

"Two things were obvious. First, the highest echelons of management had to become vitally interested in safety. Second, this renewed interest had to be transmitted to plant management and through them to the hourly employees."

O'Neil makes no claim that American Brass has now concocted a new panacea for the problem of occupational safety. In fact, he acknowledges that the program is simple, albeit more mature in all its elements at some divisions than at others, but it is working. Credit for that he attributes to two things: effective use of communications in establishing safety consciousness and emphasis upon costs involved in accidents, both for the company and employees.

First, though, O'Neil and the divisional safety representatives had to get at the source of their accident troubles. Now a breakdown of each accident is made pinpointing the machine, operation, department, type of injury and part of body affected. Analysis by the breakdown method brought out, for example, that at one plant 80 to 90 per cent of the slitting injuries came from only two of the seven or eight slitter machines.

Minor Injuries Get Full-Scale Attention

In most of their major mills details of even the minor day-to-day injuries are now known by O'Neil and his safety men. More important, this information is provided to all foremen, the plant managers and superintendents. In the case of a trouble spot, the immediate foreman and his superiors are put on notice as to their major safety problems. Monthly reports showing current and cumulative data are distributed throughout the American Brass system.

As a further means of enlisting the local manager's enthusiasm, O'Neil highly recommends a simple comparison of costs of accidents charged to individual divisions. Not included are such costs as those for nurses, attendants, salaried doctors, heat, light and physical equipment because they would still prevail whether there was one accident or 500.

"A big difference was discovered in 1958 between three of our divisions, all within 30 miles of each other, and all operating under the same workmen's compensation and labor laws. They had virtually the same weather and number of people, practically the same type of work, and about the same ethnic backgrounds in workers. The comparative non-fixed direct costs of accidents for a year in the three plants were, respectively, $1,806, $1,989 and $62,000."

When the figures were shown to the plant manager of the highest cost division, he was all too well aware of how much of his product would have to be sold to produce that amount of money. He realized that money could be saved by safety and that good safety was just good business management. In 1959 the costs of this division had been reduced to $11,000, a saving of $51,000.

Big Saving Is Made in Insurance Premiums

In another case, a saving of $21,000 a year in insurance premium costs was made by a Middle West division of American Brass through a reduction in accidents and injuries. Such achieve-

ments are in the best traditions of mutual insurance, which operates on the principle of reducing losses to provide protection at cost.

Also, as O'Neil pointed out, "Savings in these amounts impress management people and of themselves create and maintain interest."

In getting the safety creed across to workers, American Brass uses virtually all of the many communications methods. Newsboards throughout the plants are regularly and periodically plastered with safety material. Cases such as that of Tony Jankowski are featured in pictures of near misses, shattered eyeglasses and damaged safety shoe toes. Contest standings by divisions and departments are strongly publicized. Newspaper stories are released on plant safety successes.

Some of O'Neil's contemporaries have felt that there has been too much safety on the American Brass newsboards. He's convinced that safety should be featured regularly and prominently in all locations. He prefers to have safety in front of those in the mills as much as possible. "It's bound to rub off on some person at some time during the day whether he is aware of it or not."

O'Neil has had American Brass mill men contact him for details of an accident or fatality occurring in a competing concern 50 miles away.

Cash and Fancy Prizes Kept Out of Safety

In total, American Brass has spent heavily on safety, but it eschews contests involving money or elaborate prizes. Management has felt that there is something inherently faulty with the program if men had to be paid to be safe. Most coveted by the workers are two bronze plaques designed and executed by the Gorham Company. One of these is awarded annually in the improvement contest open to all divisions, large or small, on the basis of their own previous 5-year records. The other plaque is awarded annually in the monthly safety performance contest. This is open only to the eight basic mills, with the fabricating mills excluded. The winner is the mill with the lowest lost-time accident frequency for the year.

Also in the nature of a contest is the housekeeping rating system for various plant areas. Rating is done singly by the six top management men in each division at varying times during the month and then an average for the month is computed from the six ratings.

American Brass also has given away uncounted pairs of safety shoes as prizes for achievement in safety and has bought many honorary dinners for various groups having outstanding safety records.

Safety Glasses Prove Well Worth the Cost

Heaviest and most resultful investment has been for safety glasses, safety shoes and fire protective trousers. American Brass provides plano and prescription safety glasses at no cost to the employees. One mill alone—Torrington—has invested $9,000 in them during the past three years. The one company-wide restriction is that the employee pay for and bring his own prescription where needed.

In one mill alone, over a three-year period, American Brass has recorded 15 instances in which one eye definitely has been saved by the safety glasses and two other instances in which total blindness would have been the probable result without the glasses. The cost of providing glasses and an optometrist for fittings over the three-year period has been between $10,000 and $11,000. Under workmen's compensation insurance, loss of one eye is a $14,000 liability; total blindness may involve a lifetime cost well in excess of $100,000.

Safety shoes are regularly provided at cost, and on occasions American Brass adds a $2 subsidy. For special shoes with the metatarsal protector the cost is $13.05. One American Brass division sold more than 200 pairs of the shoes by reducing the cost to employees to $6.50. This same division has recently had three cases of arches being saved by the protective flap. Accidents of this nature run about $2,000 per injury.

Fire Protective Trousers Being Purchased

Fire protective trousers are being introduced in American Brass casting operations as a means of eliminating lost-time accidents from molten metal burns on insteps and legs. One mill which has spent $2,736 for such trousers during the past two years estimates that it has saved in excess of $12,000 in direct costs.

Seasonally befitting for American Brass workers is the license granted almost 400 years ago by the Englishman, Thomas Tusser, in his *Five Hundred Points of Good Husbandry*: "At Christmas play, and make good cheer, for Christmas comes but once a year." Tony Jankowski and all the American Brass people can do that with gusto, for they have been good husbandmen in occupational safety. ⊙

Open invitation to boosters is this unlocked display case, which is the fault of a careless store clerk. Team of security officers shows how a pair of shoplifters work. Goods will be placed in the booster box through its false bottom.

Shoplifters, favored by holiday conditions, run their annual take into $300 million.

ON A CROWDED FLOOR in a large Midwestern department store, a well-dressed man walked up to the musical instrument department, picked up a bass drum, smiled at the sales clerk and proceeded to walk out. As he carried the big drum through the jammed aisles, polite sales personnel cleared a path and even went so far as to open the doors for the man.

There were many red faces in the store a few minutes later when it was discovered that the music department hadn't sold a bass drum in weeks. The drum lover was a shoplifter.

Each year this country's merchants lose an estimated $300 million in merchandise to shoplifters. Because of holiday shopping crowds and cold weather, this month is the peak time of

Booster box gets a real workout by professional shoplifters who busily stuff it full of unpaid merchandise. The box appears to be a regular suit box, but with a gentle tug on the string, it pops open to swallow countless store losses.

Activities of the shoplifters are by no means limited to department stores, for like everyone else they enjoy eating three meals a day. The difference is that the booster's grocery bill is smaller. This woman is showing how the booster box can be used to acquire a steak dinner, complete with trimmings, at below cost.

year for these criminals. They do their best in crowded stores, where sales clerks are busy taking care of the paying customers. Heavy winter clothing provides another aid to shoplifters as an ideal cover for unpaid merchandise.

One store owner, after a year of grievous inventory losses, remarked that he was contemplating turning his store into a nudist colony. His reasoning: Where, then, will they hide the loot? Even this probably wouldn't work, for the professional shoplifters, or "boosters," have long proved their skill for contriving ways to steal.

In some of the larger cities, shoplifters receive extensive training in how to approach salespeople, how to dress and how to "flash" money. Organized shoplifting schools have cropped up in several locations where classes as large as 70 persons have been known to attend. For a final examination, students are required to place three phonograph records between their legs and walk normally across a room. Some women, undoubtedly "honor" students, have mastered this technique to a point where they can walk out of a store unnoticed with portable typewriters beneath their dresses.

Tools of the shoplifters include "booster bloomers," usually of the extra-large variety, which are sewn to the inside waistband of a skirt. By simply pulling the skirt out at the waist, a shoplifter can tuck away as much as two full-length fur coats. A girdle is sometimes worn over the bloomers to keep the telltale bulge at a minimum.

Some boosters are walking clothes racks, with strong straps, complete with hangers and hooks, fastened around their chests and under their overcoats. One of the most popular devices used by shoplifters is the "booster box," which from all outward appearances looks like a suit box, but has either a false bottom or a cleverly concealed trap door which opens with a slight push and then snaps shut.

Shoplifting is by no means a new crime. In the early 1700's in London, it was reported that such shady characters as Jonathan Wild, a "notorious thief taker," and a shoplifter known only as "the woman Burton," were ruining the city's shopkeepers.

Today this ancient but dishonorable "art" is far more common and detrimental to merchants. Boosters who have been caught and sentenced to prison have claimed they made up to $50,000 a year (tax free) before their arrests. Police have reported cases where teams of professional shoplifters have looted stores of more than $10,000 in merchandise in a matter of minutes. Some have even been so brazen as to boost the same store twice in the same day. As one young shoplifter put it:

"Some places just have too much merchandise to get in one load."

Now you see it, now you don't. With lightning-like speed, a shoplifter wearing a booster skirt and booster bloomers can steal hundreds of dollars worth of merchandise in a few seconds. Bloomers are attached to the waistband of the skirt.

Slit inside of winter overcoat is used to shoplifters' advantage, providing an ideal shield for operations. Heavy outer garments worn during the Christmas shopping rush are one reason why this holiday month has the greatest amount of thefts and why stores strengthen their security details.

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year for these criminals. They do their best in crowded stores, where sales clerks are busy taking care of the paying customers. Heavy winter clothing provides another aid to shoplifters as an ideal cover for unpaid merchandise.

One store owner, after a year of grievous inventory losses, remarked that he was contemplating turning his store into a nudist colony. His reasoning: Where, then, will they hide the loot? Even this probably wouldn't work, for the professional shoplifters, or "boosters," have long proved their skill for contriving ways to steal.

In some of the larger cities, shoplifters receive extensive training in how to approach salespeople, how to dress and how to "flash" money. Organized shoplifting schools have cropped up in several locations where classes as large as 70 persons have been known to attend. For a final examination, students are required to place three phonograph records between their legs and walk normally across a room. Some women, undoubtedly "honor" students, have mastered this technique to a point where they can walk out of a store unnoticed with portable typewriters beneath their dresses.

Tools of the shoplifters include "booster bloomers," usually of the extra-large variety, which are sewn to the inside waistband of a skirt. By simply pulling the skirt out at the waist, a shoplifter can tuck away as much as two full-length fur coats. A girdle is sometimes worn over the bloomers to keep the telltale bulge at a minimum.

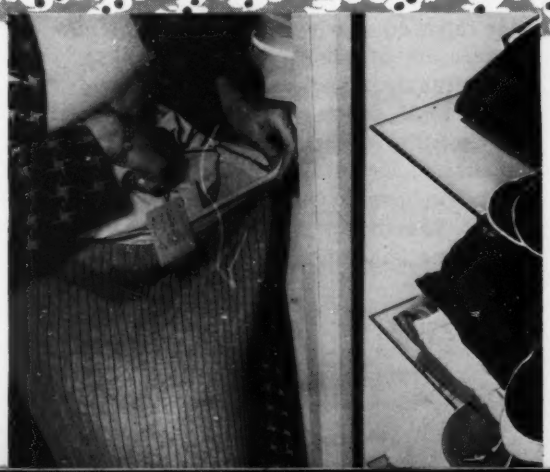
Some boosters are walking clothes racks, with strong straps, complete with hangers and hooks, fastened around their chests and under their overcoats. One of the most popular devices used by shoplifters is the "booster box," which from all outward appearances looks like a suit box, but has either a false bottom or a cleverly concealed trap door which opens with a slight push and then snaps shut.

Shoplifting is by no means a new crime. In the early 1700's in London, it was reported that such shady characters as Jonathan Wild, a "notorious thief taker," and a shoplifter known only as "the woman Burton," were ruining the city's shopkeepers.

Today this ancient but dishonorable "art" is far more common and detrimental to merchants. Boosters who have been caught and sentenced to prison have claimed they made up to $50,000 a year (tax free) before their arrests. Police have reported cases where teams of professional shoplifters have looted stores of more than $10,000 in merchandise in a matter of minutes. Some have even been so brazen as to boost the same store twice in the same day. As one young shoplifter put it:

"Some places just have too much merchandise to get in one load."

Now you see it, now you don't. With lightning-like speed, a shoplifter wearing a booster skirt and booster bloomers can steal hundreds of dollars worth of merchandise in a few seconds. Bloomers are attached to the waistband of the skirt.



Slit inside of winter overcoat is used to shoplifters' advantage, providing an ideal shield for operations. Heavy outer garments worn during the Christmas shopping rush are one reason why this holiday month has the greatest amount of thefts and why stores strengthen their security details.

Employee thefts are also a major problem to store owners. This camera, equipped with infrared film and flash bulb, caught this unwary employee with his fingers in the cash box. A fine wire, attached to the box and to an automatic camera control system, triggered the camera when broken.

Big Time Christmas Crooks

Most domestic insurance companies, because of the severity of shoplifting in this country, do not offer store coverage against shoplifters as such. This is especially true in the larger cities where the crime is the worst. There are policies which can be extended to include theft insurance, but before a store owner can collect, he must "reasonably" prove that the merchandise disappeared through theft. In the case of a shoplifting loss, this is not easily done.

Nonetheless, the insurance industry has worked in conjunction with the police and merchants in an effort to lessen the losses. All have made efforts to educate store management and sales personnel in how to spot a shoplifter and how to report a theft. Instruction is also given in how to arrange displays in a pattern whereby clerks can tell instantaneously when the pattern is broken by a shoplifter or otherwise.

Best results, though, have come from stores which employ security officers. One large clothing store had been losing more than $100,000 annually prior to its hiring a security staff. The first year with security protection saw the losses drop below $15,000. A security manager explained:

"It's not that we catch so many shoplifters, but when we're around they somehow find out the store is 'hot' and they usually stay away."

Another boon to merchants has been the enactment of shoplifting laws in 38 states.

Recent Shoplifting Laws Help Merchants

Mississippi, where the shoplifting law provides maximum protection for the merchant, has a fine of $25 to $300 and/or imprisonment for five days to three months for a first offender. A three-time loser can receive up to five years imprisonment. This law provides that a merchant, his employee, or a peace officer, acting in good faith and on probable cause, has the right to question a suspect in a "reasonable" manner. Such questioning, the law maintains, does not make such persons civilly liable for slander, false arrest, false imprisonment or unlawful detention.

In states where no specific shoplifting laws have been enacted, the merchant opens the door to a false arrest suit by merely stopping a suspected booster. A large store chain recently paid $50,000 to the wife of an executive of a competing store after stopping her for suspicion of shoplifting.

There have even been instances where shoplifters have purposely taken merchandise while store employees were watching, then walked toward the exit. Just before the booster is stopped, he will drop the item. A false arrest suit follows.

H. Wayne Smith, a special agent for the Kroger Company, says that in recent years the shoplifting plague has spread from large cities to small villages and fashionable suburbs. Every type of merchant, large and small, is fair game for the booster.

Cities of more than 25,000 population last year reported nearly 50,000 shoplifting offenses, an increase of 9.8 per cent over the previous year. This figure, however, is a small percentage of the total, for most boosters go undetected.

Shoplifting is not just a problem for the merchants, for retail prices must be raised to cover the losses. Customers, as well as merchants, are paying for the thefts and at the same time boosting the boosters' profits. ⊙

MEMBER COMPANIES, AMERICAN MUTUAL INSURANCE ALLIANCE

Abington Mutual Fire Insurance Company
ABINGTON, MASSACHUSETTS

Allied American Mutual Fire Insurance Company
WAKEFIELD, MASSACHUSETTS

American Hardware Mutual Insurance Company
MINNEAPOLIS, MINNESOTA

American Manufacturers Mutual Insurance Company
CHICAGO, ILLINOIS

American Mutual Fire Insurance Company
CHARLESTON, SOUTH CAROLINA

American Mutual Liability Insurance Company
WAKEFIELD, MASSACHUSETTS

American Mutual Reinsurance Company
CHICAGO, ILLINOIS

Atlantic Mutual Fire Insurance Company of Savannah
SAVANNAH, GEORGIA

Attleboro Mutual Fire Insurance Company
ATTLEBORO, MASSACHUSETTS

Automobile Mutual Insurance Company of America
PROVIDENCE, RHODE ISLAND

Badger Mutual Insurance Company
MILWAUKEE, WISCONSIN

Berkshire Mutual Fire Insurance Company
PITTSFIELD, MASSACHUSETTS

Central Mutual Insurance Company
VAN WERT, OHIO

Chicago Ice Producers Mutual Liability Company
CHICAGO, ILLINOIS

Church Mutual Insurance Company
MERRILL, WISCONSIN

Cincinnati Equitable Insurance Company
CINCINNATI, OHIO

Citizens Mutual Insurance Company
JANESVILLE, WISCONSIN

Consolidated Mutual Insurance Company
BROOKLYN, NEW YORK

Covington Mutual Insurance Company
COVINGTON, KENTUCKY

Cream City Mutual Insurance Company
MILWAUKEE, WISCONSIN

Dorchester Mutual Fire Insurance Company
BOSTON, MASSACHUSETTS

Druggists Mutual Insurance Company
ALGONA, IOWA

Electric Mutual Liability Insurance Company
LYNN, MASSACHUSETTS

Employers Mutual Fire Insurance Company
WAUSAU, WISCONSIN

Employers Mutual Liability Insurance Company of Wisconsin
WAUSAU, WISCONSIN

Exchange Mutual Insurance Company
BUFFALO, NEW YORK

Factory Mutual Liability Insurance Company of America
PROVIDENCE, RHODE ISLAND

Federated Mutual Implement & Hardware Insurance Company
OWATONNA, MINNESOTA

Fitchburg Mutual Fire Insurance Company
FITCHBURG, MASSACHUSETTS

Florists' Mutual Insurance Company
EDWARDSVILLE, ILLINOIS

Furniture Mutual Insurance Company
MILWAUKEE, WISCONSIN

Grain Dealers Mutual Insurance Company
INDIANAPOLIS, INDIANA

Granite Mutual Insurance Company
BARRE, VERMONT

Greater New York Mutual Insurance Company
NEW YORK, NEW YORK

Grocers Mutual Insurance Company
HUNTINGDON, PENNSYLVANIA

Guarantee Mutual Insurance Company
WORCESTER, MASSACHUSETTS

The Hamilton Mutual Insurance Company of Cincinnati, Ohio
CINCINNATI, OHIO

Hardware Dealers Mutual Fire Insurance Company
STEVENS POINT, WISCONSIN

Hardware Mutual Casualty Company
STEVENS POINT, WISCONSIN

Hardware Mutual Insurance Company of the Carolinas
CHARLOTTE, NORTH CAROLINA

Herman Mutual Insurance Company
IRON RIDGE, WISCONSIN

Hingham Mutual Fire Insurance Company
HINGHAM, MASSACHUSETTS

Holyoke Mutual Fire Insurance Company
SALEM, MASSACHUSETTS

Home Mutual Insurance Co., of Binghamton, N.Y.
BINGHAMTON, NEW YORK

Illinois Mutual Fire Insurance Company
BELVIDERE, ILLINOIS

Indiana Lumbermens Mutual Insurance Company
INDIANAPOLIS, INDIANA

Indiana Union Mutual Insurance Company
INDIANAPOLIS, INDIANA

Interboro Mutual Indemnity Insurance Company
NEW YORK, NEW YORK

Iowa Hardware Mutual Insurance Company
MASON CITY, IOWA

Iowa Mutual Tornado Insurance Association
DES MOINES, IOWA

Continued →

A. M. I. A. MEMBER COMPANIES, *Continued*

Iowa National Mutual Insurance Company
CEDAR RAPIDS, IOWA

Jamestown Mutual Insurance Company
JAMESTOWN, NEW YORK

Jewelers Mutual Insurance Company
NEENAH, WISCONSIN

Kewaskum Mutual Insurance Company
KEWASKUM, WISCONSIN

Liberty Mutual Insurance Company
BOSTON, MASSACHUSETTS

Liberty Mutual Fire Insurance Company
BOSTON, MASSACHUSETTS

Lowell Mutual Fire Insurance Company
LOWELL, MASSACHUSETTS

The Lumber Mutual Fire Insurance Co. of Boston, Mass.
BOSTON, MASSACHUSETTS

Lumbermens Mutual Casualty Company
CHICAGO, ILLINOIS

The Lumbermens Mutual Insurance Company
MANSFIELD, OHIO

Lutheran Mutual Fire Insurance Company
CHICAGO, ILLINOIS

Lynn Mutual Fire Insurance Company
CONCORD, MASSACHUSETTS

Merchants' & Manufacturers' Mutual Insurance Company
MANSFIELD, OHIO

Merrimack Mutual Fire Insurance Company
ANDOVER, MASSACHUSETTS

Michigan Millers Mutual Insurance Company
LANSING, MICHIGAN

Michigan Mutual Liability Company
DETROIT, MICHIGAN

Middlesex Mutual Assurance Company
MIDDLETOWN, CONNECTICUT

Middlesex Mutual Fire Insurance Company
CONCORD, MASSACHUSETTS

Mill Owners Mutual Insurance Company
DES MOINES, IOWA

The Millers Mutual Fire Insurance Company
HARRISBURG, PENNSYLVANIA

The Millers Mutual Fire Insurance Company of Texas
FORT WORTH, TEXAS

Millers Mutual Insurance Association of Illinois
ALTON, ILLINOIS

Minnesota Mutual Fire & Casualty Company
MINNEAPOLIS, MINNESOTA

Mountain States Mutual Casualty Company
ALBUQUERQUE, NEW MEXICO

Municipal Mutual Insurance Company of West Virginia
WELLSBURG, WEST VIRGINIA

Mutual Assurance Company for Insuring Houses from Loss by Fire
PHILADELPHIA, PENNSYLVANIA

Mutual Boiler and Machinery Insurance Company
WALTHAM, MASSACHUSETTS

Mutual Fire Insurance Company
SACO, MAINE

National Mutual Church Insurance Company
CHICAGO, ILLINOIS

The National Mutual Insurance Company
CELINA, OHIO

Nebraska Hardware Mutual Insurance Company
LINCOLN, NEBRASKA

New Castle Mutual Insurance Company
WILMINGTON, DELAWARE

Norfolk and Dedham Mutual Fire Insurance Company
DEDHAM, MASSACHUSETTS

Northwestern Mutual Insurance Company
SEATTLE, WASHINGTON

The Ohio Hardware Mutual Insurance Company
COSHOCTON, OHIO

Pawtucket Mutual Insurance Company
PAWTUCKET, RHODE ISLAND

Pennsylvania Lumbermens Mutual Insurance Company
PHILADELPHIA, PENNSYLVANIA

Pennsylvania Millers Mutual Insurance Company
WILKES-BARRE, PENNSYLVANIA

The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire
PHILADELPHIA, PENNSYLVANIA

Preferred Mutual Insurance Company
NEW BERLIN, NEW YORK

Republic Mutual Fire Insurance Company
KANSAS CITY, KANSAS

Richland-Knox Mutual Insurance Company
MANSFIELD, OHIO

Security Mutual Casualty Company
CHICAGO, ILLINOIS

Snake River Mutual Insurance Company
BOISE, IDAHO

Texas Employers' Insurance Association
DALLAS, TEXAS

Town Mutual Dwelling Insurance Company
DES MOINES, IOWA

Traders & Mechanics Insurance Company
LOWELL, MASSACHUSETTS

Union Mutual Insurance Company of Providence
PROVIDENCE, RHODE ISLAND

United States Mutual Liability Insurance Company
QUINCY, MASSACHUSETTS

Utica Fire Insurance Company of Oneida County, N.Y.
UTICA, NEW YORK

Utica Mutual Insurance Company
UTICA, NEW YORK

Utilities Mutual Insurance Company
NEW YORK, NEW YORK

Ventura County Mutual Fire Insurance Company
VENTURA, CALIFORNIA

West Bend Mutual Insurance Company
WEST BEND, WISCONSIN

Worcester Mutual Fire Insurance Company
WORCESTER, MASSACHUSETTS

CANADIAN ASSOCIATE MEMBERS

The Economical Mutual Insurance Company
KITCHENER, ONTARIO, CANADA

Gore Mutual Insurance Company
GALT, ONTARIO, CANADA

The Perth Mutual Insurance Company
STRATFORD, ONTARIO, CANADA

The Portage la Prairie Mutual Insurance Company
PORTAGE LA PRAIRIE, MANITOBA, CANADA

Saskatchewan Mutual Insurance Company
SASKATOON, SASKATCHEWAN, CANADA

The Waterloo Mutual Insurance Company
WATERLOO, ONTARIO, CANADA

The Wawanesa Mutual Insurance Company
WAWANESA, MANITOBA, CANADA

Big is the word for Texas and its second largest industry, insurance, headed by Commissioner William A. Harrison.

HARRISON OF TEXAS

LACK OF ELBOW ROOM is not a problem facing Insurance Commissioner William A. Harrison of Texas, for he and 9.5 million other Texans have more than a quarter of a million square miles in which to roam and still be at home.

Although the Lone Star State recently lost its rank as the largest state to Alaska, Texans feel that a good thaw in the 49th state would put Texas back on top.

Its physical size, however, is not what makes Texas a great state. No other state, Texans can boast, is so rich in natural resources or has such a variety of soils and climate. Texas produces half of the country's natural gas and sulphur, 43 per cent of our oil and leads all others in the production of cattle and sheep, cotton, wool, rice, mohair and peanuts.

Manufacturing has grown to where its annual income is $4.5 billion, exceeding that of both agriculture and natural resource production. Texas today stands ninth in the nation in industry and manufacturing and is growing in these fields at a phenomenal rate. From 1947 to 1954, manufacturing gained 103 per cent, and from 1954 to 1958, Texas was one of two states that had an increase of more than 20,000 new employees in manufacturing and a jump of more than $1 billion in manufacturing value.

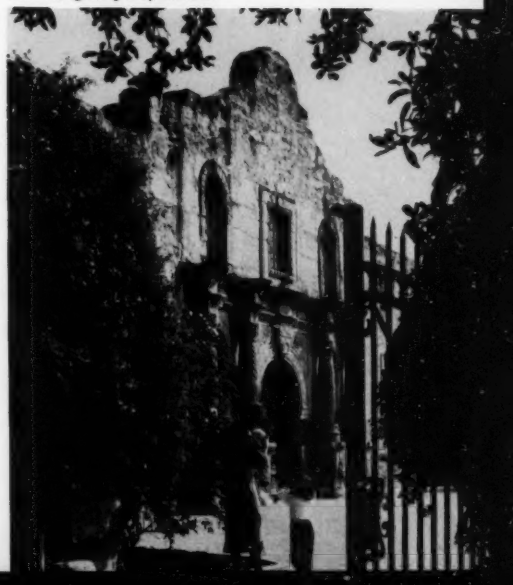
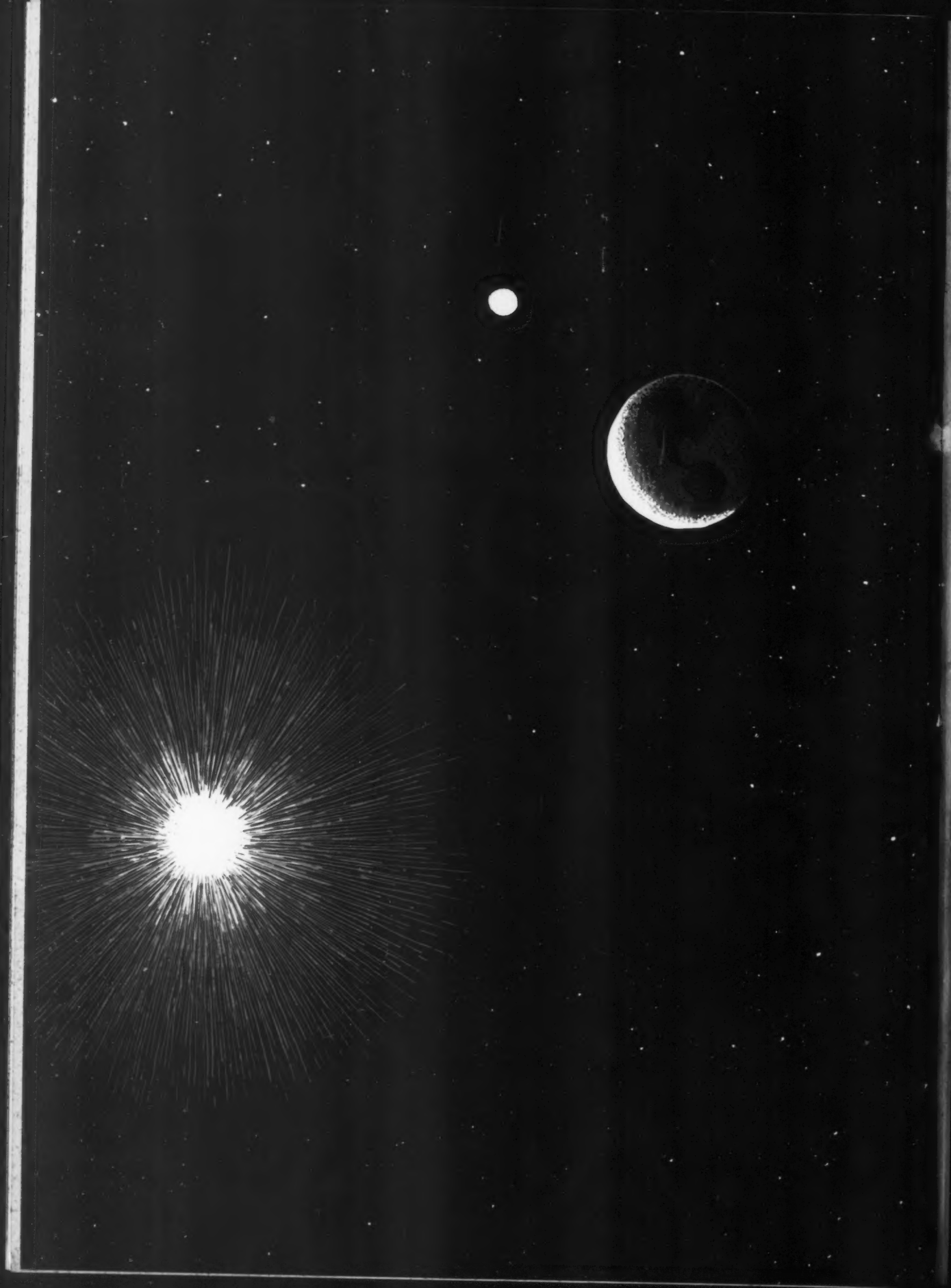
Along with this sharp increase in Texas industry and manufacturing, the state's highway system is second to none and is constantly being improved and expanded, with construction of a new interstate highway network underway.

While the boundaries of Texas have remained intact, the population of the state is climbing rapidly. The 1960 census takers counted 9.5 million Texans, an increase of nearly 2 million in the past 10 years. Their 1960 incomes are expected to total more than $18 billion.

When Texans are not making money, they're enjoying the natural splendor of their state, the mountains of the Big Bend country, the Piney Woods of East Texas or the plains of the Panhandle. Between these great expanses are large, cosmopolitan cities such as Houston and Dallas.

Insurance in Texas is also big, and is growing bigger. Today the insurance industry is ranked number two in the state, with 1,832 companies licensed to operate. They have an annual income of more than $1.5 billion, and paid nearly $32 million in taxes and fees for the fiscal year of 1958-59. The state's insurance rate-making function is unique in that Texas is the only state which gathers its own statistics and makes rates for fire, automobile, workmen's compensation and credit insurance.

Commissioner Harrison, a native Texan, has been serving as executive officer of the state's insurance board since 1957. He is presently on the executive committee of the National Association of Insurance Commissioners and a member of the NAIC Unauthorized Insurance Committee.

A graduate of the University of Texas in Austin, Harrison served as chief auditor for the state comptroller and as first assistant state auditor prior to his becoming commissioner. During World War II, he was an officer attached to the Army Exchange Service, serving four years. ⊙

"Remember the Alamo" became a U.S. byword now surviving more than a century after the Franciscan mission fell to the Mexicans. *Texas Highway Department*